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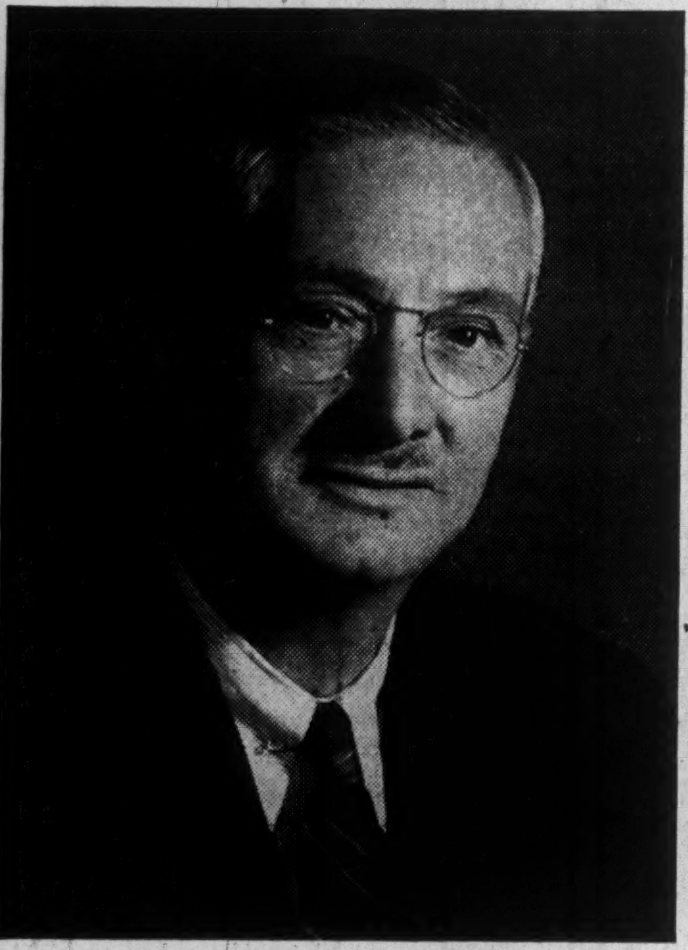
Insurance Housing Boss



Douglas Hinch Storms (until July a brigadier), turns demonstrated talents as construction engineer and administrator to helping solve Canada's urban rental housing problem. As general manager of Housing Enterprises of Canada Ltd.—new limited dividend housing corporation of life insurance companies—he will supervise planning, building and management under NHA Part II of low and moderate rental projects in several cities, with local direction by subsidiary companies and occupancy preference for veterans. (Biographic sketch page 6.)

THE NATION'S BUSINESS

Epidemic of Strikes Imperils Prosperity

Like a veritable rash, strikes have been breaking out in various parts of Canada and the United States, threatening to bring production to a standstill in scores of essential industries. While the whole country, and as a matter of actual fact, the whole world cries for urgently needed civilian goods, factory wheels are slowing down and an unparalleled opportunity for gaining immensely valuable new markets is imperilled.

The public has been given by its leaders little hint of the drastic readjustment that would be necessary in the conversion from war to peace; little warning of the inevitable lag in some lines of employment while machinery and plants adapted to the output of purely war equipment, were being converted to peacetime production.

On the contrary, everyone has been under the spell of political promises of full employment and prosperity for all, of cradle to grave security, of higher and higher wages—as if all these things were to be achieved by someone at Ottawa merely pushing a button.

The problems presented by the job of unwinding the war economy are now made clear by the stark facts presented by the first examples of actual conversion itself and by the blunt declaration of Mr. King to a labor delegation last week when he said that "No person can control the present situation."

Depending on World Trade

As the Prime Minister pointed out, full employment in Canada or even moderate prosperity depends upon trade with Europe and Asia, "upon the orders Canada can get from other countries." And Mr. King added this significant observation:

"It is not possible for any government on earth to guarantee a solution to the problems of reconversion and reconstruction, but we will do our utmost."

The Prime Minister is to be commended for stating the case frankly and plainly. The only pity is that this declaration was not made months ago, before labor and the public generally were deluded into thinking that conversion would be a simple matter, that peace would automatically usher in a new era of easy prosperity and abundance.

It is to be hoped that Mr. King's declaration will put an end to this wishful thinking, that every citizen will now realize that we can only gain prosperity by working for it, that a fair day's work for a fair day's wage is essential if we are to have full employment, that a real partnership between labor and employers is imperative.

We only have to go back a few years to see the folly of any other course. Extravagant and unrealistic demands, strikes and inflation, preceded the fascist dictatorships in Italy and Germany. The present situation, getting out of hand, could easily end in chaos on this continent.

Emphatically this is a time for labor leaders to keep their heads. All the real progress labor has made in the last decade is in jeopardy. After five years of privation and enormously heavy taxation the general public is in no mood to listen to extravagant demands or to put up with unreasonable action.

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Big Stake in Empire Preferences

American newspapers seemed to have assumed generally that the question of Empire Preference is one that concerns the United Kingdom and the United States only, and further that after a little bargaining this system will be quickly abandoned by Britain. Canada's very direct interest in the whole matter has received scant attention.

Actually jettisoning of the Empire Preference without any substantial compensation would be a major blow to Canada's economy. For half a century a large proportion of our industry has been built up around these preferences which were initiated and expanded by Canada as a direct result of successive American tariff actions interfering with the natural flow of Canadian goods southward.

There are no exact statistics of the investment of American business in Canada as a direct result of Empire Preference but the total is known to be large, perhaps as much as one quarter of our total manufacturing capacity. Scores of branch plants have been established here for the sole purpose of exporting within the Empire. Others have been located to cater to the Canadian domestic market and export to other parts of the Empire as well. In many cases it is extremely doubtful whether many of the latter could continue to cater to their domestic market economically without the advantage of the Empire export.

The abolition of Empire Preference, therefore, aside altogether from the threat to purely Canadian Empire exporters, has much wider implications than might be generally assumed.

Senior government officials at Ottawa deny that they are indifferent about losing Empire Preference, but that is not enough. There is no indication yet that they have squarely faced up to the problem, that they have taken prompt and definite steps to protect our vital interests in this matter. Preferred entry to the Empire market, and particularly to the market of Great Britain, has literally saved our trading life each time Washington has upped its tariffs in the past. There is no assurance yet that we may not need this safeguard again at some time in the future.

We have a very real stake in this Empire Preference and one that we cannot afford to toss lightly away.

No Wage Reductions Without Special Permit?

Ban on Wage Cuts is Most Drastic Proposal in Tentative New Labor Policy — Also Talk 44-hour Week, Higher Unemployment Pay

By KENNETH R. WILSON

OTTAWA—Although the government is still determined to hold the wage-price stabilization line during the next three or four months, a number of very important "compromises" toward labor are under consideration here.

Key proposal is to prevent any wage reductions unless the cut has been authorized by the war labor boards. This would clearly put a stop to charges that employers are taking advantage of reconversion to cut wages, as had been alleged by some labor leaders.

It is believed that most of the proposals which are under consideration can be introduced without upsetting the wage-price stabilization policy. Many of them, however, are matters affecting provincial jurisdiction and may have to wait at least for the proposed federal-provincial meeting scheduled for late November. Some proposals would also require federal legislation before they could be implemented.

The proposals under consideration here include the following:

1. Permit no reduction in wage rates without the authority of the National War Labor Board or its regional bodies. In order to put through a wage reduction, the employer would thus have to go through the same procedure now required for a wage increase.

This would require an amendment to the present order since neither NWLB or its regional boards have any such authority at present.

2. Set a new standard week (say 44 hours) above which overtime rates must be paid.

3. Extend as quickly as possible the scope of the present unemployment insurance scheme to cover trades and groups not now included.

4. Enlarge the present scale of unemployment insurance benefits from the present maximum of $14.40 per week. (Married person with two or more dependents).

The argument here would be that living costs have increased since the original scheme was introduced in 1941. Meanwhile there has been no corresponding increase in benefits under the scheme. Such increases would not be retroactive.

5. Set up a system of out-of-work grants (unemployment assistance) payable to all employable unemployed persons not entitled to unemployment insurance benefits.

Such grants would presumably be available both to those who had exhausted their unemployment insurance benefits and to those not now in the unemployment insurance scheme. Benefits would be payable at a rate lower than the prevailing unemployment insurance scale but would be payable for an indefinite period so long as the individual remained unemployed.

6. Return authority over minimum wages to the provinces.

7. Return holiday-with-pay and hours-of-work to the normal processes of collective bargaining. These are presently matters controlled under the NWLB and regional boards.

These are the general lines along which Ottawa is expected to approach the growing problem of labor adjustment during the period of reconversion. There is, for example, no sympathy with the current agitation for "reconversion pay" based on the number of months or years which an unemployed person has been employed on a war job. It is thought that this is a quite impractical scheme which would be impossible to administer for one thing because of the difficulty if not the impracticability of defining who had been engaged in war work.

It is recognized that some of these matters, if left in the hands of the provinces might at this time seriously embarrass the WPTB in its attempt to keep the lid on basic prices. However, a considerable time is expected to elapse before some of these matters can be adjusted. In the meantime, it is thought that some steps can be taken without embarrassing the government's wage-price program and which will be in the nature of a "compromise" toward labor.

Export Decontrol Startles Ottawa

OTTAWA (Staff) — Canadian trade officials are quite frankly startled by the drastic way U. S. authorities have slashed export controls. The U. S. orders are described as having ended 80% of all outstanding export controls in that country. Only 1,000 items now remain on the control list as compared with 3,500 before.

The official U. S. decontrol orders only reached here at the week end and Canadian officials have been poring over them to see what effect the removal of these controls will have on Canadian trade prospects abroad. They find very important areas where it is felt Canada may have to move at once if she is not going to lose a lot of potential export business to U. S. firms.

Ottawa Puts $1 Floor Under $1.55 Wheat Price

OTTAWA (Staff) — Ottawa has finally decided to hold the export price of Canadian wheat to $1.55 a bushel (No. 1 Northern at Fort William), but has compensated the group asking a higher price by putting a guarantee of not less than $1 a bushel to producers for the next five years on authorized deliveries for export.

Much pressure has been put on the Government to take advantage of the new situation since V-J Day and charge Britain all the market will bear. In terms of current U. S. prices, this would mean an export price for Canadian wheat of close to $1.90 a bushel. This would be a jump of about 45 cents from the price heretofore charged under Mutual Aid. It would be 35 cents better than the interim price of $1.55 announced last week. This $1.55 price applied to the 20 million bushels which the Wheat Board had to buy to cover its British sales up to the end of August, when Mutual Aid terminated.

What happened after the termination of Lend-lease in the States was that the Americans indicated their intention of charging Britain the full market price for any wheat purchased in that country. The Canadian equivalent of this price is close to $1.90 a bushel.

The far-reaching importance of this decision in terms of Canada's whole trade relationships with Britain is obvious. It becomes even more important when it is realized that North America at the present time has almost a corner on wheat.

The fact that Canada decides it is not in her interest to allow her wheat prices to follow the U. S. lead is therefore of very great consequence. Especially when Canada herself is marketing a short crop.

Cleveland Firm Tests Ont. Iron

Reports from western Canada state that U. S. iron interests, Pickands-Mather & Co., Cleveland, have taken over for development a magnetite property of 29 claims in Horne twp. from Andowan Mines. These claims are located 48 miles west of Port Arthur.

According to information reaching The Financial Post, the property in previous exploration showed a magnetite deposit with a high silica content.

New Move to Simplify Sale of War Surpluses

OTTAWA (Staff) — The Government has moved this week to simplify procedure for disposal of surplus Crown property by firms whose war contracts have ended.

The instrument designed to hack through the red tape is DMS Order No. 101. It provides the following major simplifications:

1. No declaration of surplus (as previously set down in DMS forms 2000, 2004 or CAAC 2231) is now required.

2. No contractors' advices of surplus machine tools and/or production (as formerly required in MTWSC 310) are required.

3. No reports are henceforth required to the Director-General of the Production Branch in respect of jigs, tools, dies, fixtures, gauges and patterns.

4. No further reports are required to central inventory records division of the Comptroller's branch of DMS in respect to office furniture and office equipment.

5. No reports are required to the Cafeteria Committee of DMS on cafeteria, hospital or first aid equipment.

Contractors are in future merely required to advise the Supply Division of War Assets Corporation at No. 4 Temporary Building, Ottawa of any Crown property in their possession which is no longer required for war production.

Forms to be used in making this report to War Assets are outlined in Order 101.

"Credits" for surplus property will not be given to the contractor until the items in question have been delivered to or to the order of War Assets Corporation and then only against proper receipts. This means there is no change in present or existing procedure covering "Claims on Termination" as provided in Plans A and B for private contractors.

Lists from private contractors indicating Crown-owned property which the contractor wants to purchase for his own use are to be made out in triplicate and accompanied by a covering letter indicating a desire to purchase. No price need be offered, the plan being that War Assets will get in touch with the contractor to negotiate a proper price. Separate lists are to be prepared for:

1. Machine tools and production equipment.

2. Cafeteria, hospital and first

(Continued on page 2, col. 5)

Butchers' Stocks Loaded, Is Claim

OTTAWA (Staff) — One reason why butchers are upset about rationing is that many of them are temporarily loaded with meat because of heavy buying in anticipation of the new system. Latest figures show that domestic trade in Canada took 50% more beef in the first week of September than it would normally use. This on top of very heavy buying in previous weeks. It was this first week in September that meat rationing was expected and it is thought that butchers were trying to anticipate this. As the system was introduced a week later, it is thought that a lot of butchers are heavily stocked with meat and that a lot of it is due to spoiling.

Admit Cabinet Has Not Faced Problem Of Loss of Empire Preference System

By KENNETH R. WILSON

OTTAWA—Government officials aren't prepared to take lying down the accusation that there is a fatalistic or indifferent attitude here toward losing the Empire preferential system, a threat reported last week in The Financial Post.

What is admitted, however, is that the Cabinet itself has not yet faced up to this problem, and has not taken a decided stand on the Empire Preference issue.

For instance, it is doubtful if any specific direction or query on this matter of Empire preference has yet gone out from the East Block to interested departments or officials. Some technical and statistical studies have been made on the subject, but the problem itself has not apparently been officially aired at Cabinet level.

Would Branches Close?

The Cabinet, for example, has probably never heard that an official of one of the largest of all U. S. branch plants in Canada has stated privately but bluntly that if Empire preference goes, his company would close up its Canadian property within three weeks. Nor has any assessment been made or requested as to what might happen to the Government's full employment or reconversion program if the preference were to disappear.

Until very recently, the main inter-governmental discussion as between Canada, U. K. and U. S. has been along a very different line. What has been under discussion for more than two years has been the possibility of an over-all "master" agreement between key trading nations which would reduce the tariffs of all these countries by a stated amount, say, 10, 20 or 40%. Such a plan would of course reduce tariff barriers all round but would retain the essential features of the present Empire preference.

Now, with the sudden ending of the Jap war, the picture has changed. What has developed is that Britain, without any period of grace or adequate preparation, has suddenly found herself without any "dollars" and without the means of earning dollars in the immediate future. Also required is a big "selling" point in the United States for any special dollar concession given the U. K. at this time.

Even when Lord Keynes was here a few days ago, the British themselves had not apparently faced the possibility of elimination of the preference as part of a U. K-U. S. deal. When the question was put bluntly to Keynes he is said to have scouted the possibility of the British having to give up the preference in return for a satisfactory dollar deal.

Any Deal Good For Canada

What is now contended here is that almost any deal as between Britain and the United States would have important advantages for Canada and that these advantages would have to be weighed against any loss of preferential Empire tariffs which might be included.

For as matters now stand, Empire tariff preference is of little or no value to Canadian exporters if the sterling countries have no dollars with which to buy in this country. What is pointed out here is that the hoped-for outcome of a U. S.-U. K. deal would be such benefits as these:

1. The unfreezing of the now frozen sterling "bloc" of countries by some device such as a substantial U. S. dollar loan or gift.

2. The obtaining by the U. S. (and as well for Canada) of a relaxation of present U. K. and sterling import controls which virtually freeze trade along lines of very limited trade "permits."

3. Easier access to the United States market since it is assumed that U. K. would not sacrifice the preference either in whole or part

(Continued on page 2, col. 6)

Control Battle Abating Await Ottawa's Next Move

Attacks on Rationing and Building Policies Slacken in Anticipation of Midweek Parleys But Labor Strife Still Unchecked

In the most explosive outburst against controls yet to take place, various groups of Canadians last week:

1. Threatened to block meat rationing unless it is removed or revised before Sept. 24.

2. Accused government agencies of slowing down housing construction with badly dovetailed priorities for materials, and by stockpiling.

3. Demanded wage rate adjustments to attract workers to bottleneck points in industry. Other labor groups demanded guarantees of war-type jobs in peacetime, halted reconversion of durable goods industries while they struck for "union consolidation."

After the first wave of meetings and resolutions, it began to seem that the reaction against controls was more hot-headed than significant, that after the steam held in over six wartime years had blown off, little real opposition would remain; but by mid-week it had become clear that opposition hasn't disappeared, but rather has shifted to a few specific points of administration and policy. Unless the Government can make a convincing case that these grievances are not valid, some adjustments will probably be made in meat rationing, wage controls, construction regulations.

Labor Demands Key

Also emerging by mid-week was the conviction that the administrative problems that had attracted the most attention were the least significant; that the strike at Windsor, the Research Enterprise Limited demonstrations, steel worker C. H. Millard's continuing feud with Ottawa and the failure of key jobs to attract sufficient workers are likely to have more far-reaching effects than the demands of meat-dealers and building men.

Labor, in addition to raising its old cry of closed shop, check-off, etc., has now waded in with a demand to guarantee wartime wages for ex-warworkers, as evidenced by the R.E.L. flareup. No longer content with a sure job at a fair wage, this new onset seems to demand the guarantee of specific jobs at wages named by the employees. Yet at R.E.L., the unions are opposing conversion of the plant to peacetime work, the obviously essential prelude to jobs and wages of any type.

But labor, meat and housing had one grievance in common — all claimed that Ottawa had not posted them soon enough on details to permit smooth transactions.

Labor Front

The Ford strike took the spotlight in the past week, as the board of conciliation confessed its inability to solve most of the main problems under dispute, and the union rejected the proposal that a voluntary check-off, irrevocable during the life of the contract, be adopted pending discussion. As the plants stood idle, Canadians saw prospects for new cars getting dimmer, and jobs dependent on the automotive industry and its products failed to open up. At mid-week there were indications that other groups might strike in support of the U.A.W.

The United Steelworkers of America kept up their running fire of correspondence with the Federal

(Continued on page 3)

Jobless Benefit Claims Up 50% July to August

OTTAWA (Staff) — Unemployment insurance claims as at August 31—the first figures available since V-J Day—show an increase of 50%. The new figure of claims outstanding is 28,770 as compared with 19,224 at the end of July.

Analysis of the August claims shows 13,000 or 45% of the total in Quebec province. By types of worker, 27% or 7,932 were in the category "unskilled light labor."

The breakdown of outstanding claims (that is, persons drawing benefits and for whom no satisfactory job had been found) according to individual cities is as follows:

OUTSTANDING UNEMPLOYMENT INSURANCE CLAIMS

	—End of—	
	August	July
Quebec City	4,527	3,486
Montreal	2,449	1,004
Vancouver	2,118	502
Winnipeg	1,788	1,384
Windsor	1,753	747
Oshawa	1,588	1,055
Three Rivers	1,489	1,039
Sorel	1,088	147
New Glasgow	935	37
Calgary	560	506
Levis	528	298
Shawinigan Falls	437	382
St. Catharines	435	384
Victoria	420	54
Toronto	415	231
Fort William	404	39
Sydney	390	339
Jonquiere	285	272
Hamilton	284	225
Regina	256	296
Edmonton	254	261
Amherst	250	292

New Crown Co. To Handle Arms Disposal Plan

OTTAWA (Staff)—Pending final decision of government policy towards postwar arsenals and ordnance research, the Government has named Colonel Malcolm Jolley as president of a new crown company to be named Canadian Arsenals, Ltd.

Col. Jolley will continue as president and general manager of Small Arms Ltd. which has now only a skeleton staff. Ultimate disposition of the Small Arms plant is still not completely settled (may not be in fact until the Government and the army reaches a clearer decision on postwar policy) but the expectation here is that the main part of the plant will be retained by the Government for arsenal purposes and the rest made available for multiple occupancy industrial tenants.

Avoid Former Errors

Purpose of Canadian Arsenals will be to aid the Government in clearing surplus machines and equipment from contractors' plants and permit salvaging of such equipment as will be needed in any future postwar arsenal program. After the last war, much of the equipment that should have been salvaged for use in government arsenals was left to rust and deteriorate wherever it was dumped by private contractors after the war ended.

Inside News

M.P.'s Indemnities should be raised, according to most Canadians questioned by The Financial Post; others suggested increased allowances for expenses, exemption of present indemnities from taxation; all felt that being a member of Parliament now involves financial hardship. (p.7)

A Hobby Store has proved a gold mine for ex-serviceman Eaton Burden, who built $2,500 and enthusiasm into a successful shop where customers can find equipment and advice for old or new hobbies. (p.9)

Vacant Properties create an important problem for fire insurance firms, as owners and underwriters try to work out suitable means of covering hazards to plants vacated after cutbacks; decisions turn on probable future use. (p.14)

Trade With Netherlands is easier since agreements with U. K. have fixed the guilder-sterling exchange rate; similar agreement with Canada is expected soon. (p.15)

Fraser Valley Power project will get under way soon as part of B. C. Electric's $50 millions expansion program. Gas plants in Vancouver and Victoria will also be improved. (p.13)

Greater Pulpwood Cut is the pulp and paper industry's chief need for increased operations. Improvement for the next season is expected to be moderate, but from now on the trend will be strongly upward. (p.11A)

Jobs For Postwar are ready and waiting in the pulp and paper industry, which takes a strong lead in reconversion, needing no changeover of operations, simply more and more men. Bright market prospects, especially abroad, add to the industry's importance as an employer of capital and labor in postwar. (p.1A)

Heavy Wheat Buying followed announcement of export price boost to $1.55, large shipments to Britain followed a period of confusion after stock piling prior to V-J Day. (p.12)

Municipal Finances are in good shape for postwar developments, with total debt down 18%, debt service charges cut 21% since the war began, and a wave of financing is expected. (p.5)

East Sullivan's Find of a second ore body may show heavier tonnage than the original, but grade may be somewhat lower, officials state. (p.18)

A New Oilfield just north of the Montana-Alberta boundary may be the implication of discovery of oil at Hay Lake, by Admiral Oils and British Dominion. (p.18)

Opportunity for Enterprise was seized by Percy Hermant, who started with a small lens-grinding workshop, now heads a business embracing three Toronto factories and 25 branches. (p.11)

Five Firms Give 80% More Jobs

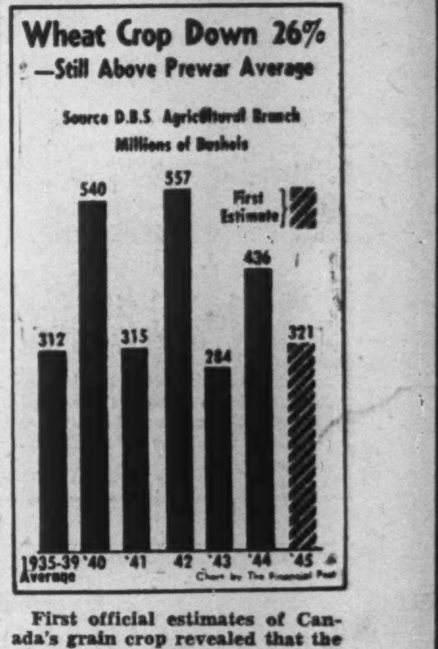
OTTAWA—In support of the argument put forward this week by Hon. C. D. Howe that there are plenty of jobs, the plans of five of Canada's leading industries are cited as typical.

These five firms represent top-ranking companies in steel, automotive, electrical appliance and farm machinery. In 1939 they gave employment to 20,000 people.

By 1944, employment in these companies had risen 258% to 51,600.

Yet by November 1, 1945, with only a trickle of war production left in these plants, it is estimated they will have work for close to 36,000 people—or 180% of their 1939 employment.

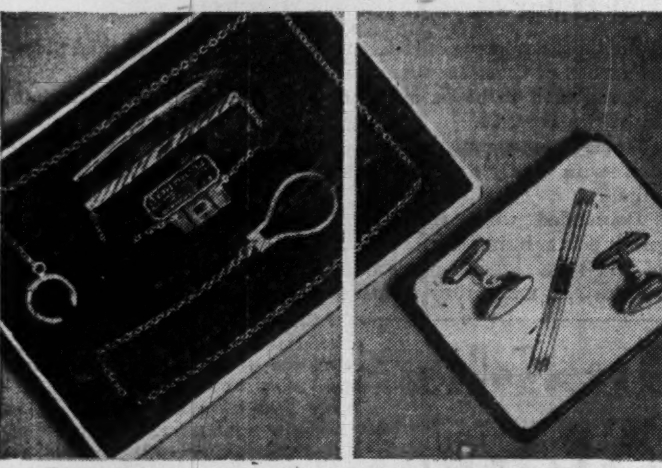
Pace of Business



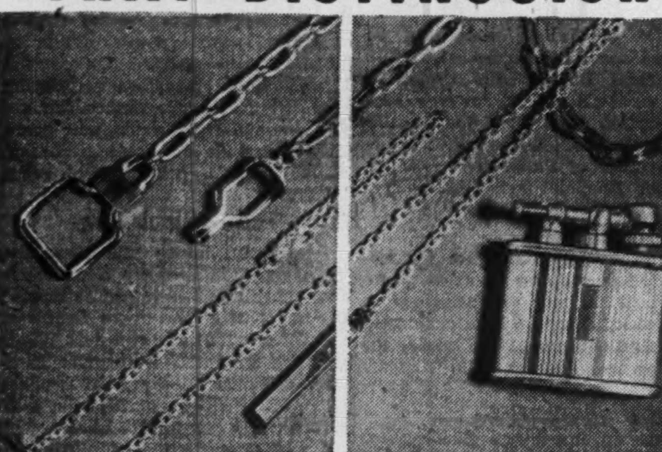
First official estimates of Canada's grain crop revealed that the wheat crop would be 114 million bushels less than it was in 1944, but would still be greater than the 284 million bushels produced in 1943. Average yield on the 23.5 seeded acres will be 13.7 bushels, lowest since 1937. Biggest drop was in Prairie Provinces, where the yield was 13.2 bushels per acre and the total crop 297 million bushels, compared with 416 million bushels in 1944. Best stands of grain were reported in Manitoba and eastern and northern Saskatchewan but crops are backward and an early frost could do heavy damage. In the southern sections, grades tend to be lower than usual, but in the Peace River area, where threshing is well under way, samples are above-average quality.

at EATON'S

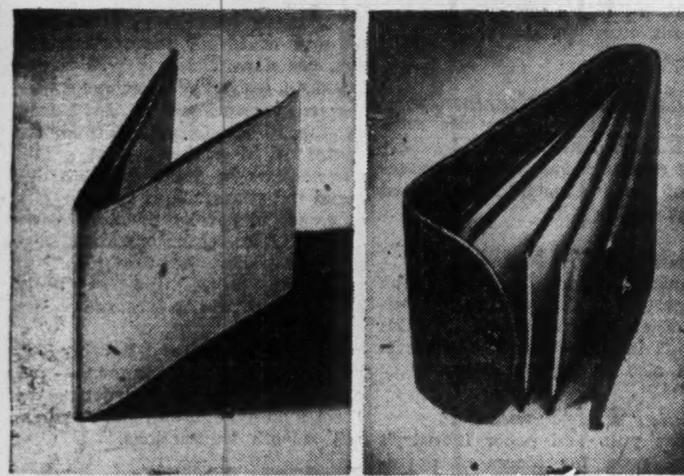
TREMENDOUS TRIFLES



THAT DISTINGUISH



A MAN OF TASTE



EATON'S

Revisions In Ont. Liquor Laws May Forecast Return of Bars

Coincident with the announcement that Ontario's liquor ration might be boosted from 52 oz. to 78 or even 104 oz. a month, came what looked like the first trial balloon for freer sale of alcohol in the province.

In an unattributed Globe and Mail article it was stated that the Ontario Cabinet is said to be in agreement that the Liquor Control Act will have to be changed, and that bringing the consumption of spirits into the open would be in the interests of temperance. The article revealed that an overhaul of beverage rooms is also indicated "with a view to making beer drinking a more orderly affair instead of the guzzling process it has become in recent years."

Illustrative of the trend toward more public drinking are the plans of at least one large Toronto hotel which has informed tenants that they may have to vacate in order that more floor space be provided for lounges, etc.

"The public is certainly ready for a revision of the liquor regulations," H. A. Maclennan, a director of the Ontario Hotel Association, said yesterday, "and by this time it has been ably demonstrated that the solution to the problem is not through further restrictions but intelligent broadening. Hotelmen are making plans accordingly."

Most restaurants which have been constructed during the war years or shortly before, are said to be adaptable to cocktail bars, though most proprietors have denied this to be their intention.

Prices Board Is Blamed For Confusion on Meat

Charge WPTB Failed to Sufficiently Educate Butchers — Say Most Trade Complaint That System's "Mechanics" Not Easily Grasped

OTTAWA (Staff)—The flow of protest against meat rationing from local butchers is blamed on failure of the WPTB to do as complete and thorough a job this time, in explaining and educating butchers in the ways of the new system. Prior to the first meat rationing, very great care was taken to instruct Canadian butchers in small groups as to what was required of them. This time the Board was slower getting started and the meetings were much larger. Such meetings, it is claimed, are not as easy to handle and not so productive in obtaining co-operation and getting the butcher educated.

Retail Merchants Association officials are given as authority for the statement that 95% of the complaints which have come in from local butchers are against the "mechanics" of meat rationing and that probably 95% of these in turn, are due largely if not entirely to misunderstandings.

Certainly there is no present intention of the Government to do anything but continue meat rationing and to be very tough in seeing that the new system is enforced. It is most likely that the meat pie problem will be solved very much in the way that sale of jam tarts is now solved. Bakers of jam tarts don't require preserve coupons from their customers but are given a quota themselves as to the amount of jam they can use.

Caucus Supports Plan

As would be expected, meat rationing was one of the important subjects under discussion at the Liberal caucus last week. A dozen or more questions were asked from the floor of the caucus. But by the time the Government had explained its position the objections were met and it is reported that the caucus gave wholehearted support to the undertakings which the Government had made in respect of its commitments to ship overseas, and also to its policy in introducing meat rationing.

What is recognized, of course, is that the Government would have been in a much stronger position had it introduced meat rationing many months ago.

The original memorandum to the Government on this matter is said to have gone to the Government as early as last February or March. Certainly as early as March of this year, the Government was warned of what was ahead and also that it would take at least six weeks to reintroduce a ration system.

It will be recalled that the Combined Food Board of the three nations (Britain, United States and Canada) faced up to the question of food shortages in meats, oils, fats, sugar, etc., far back as November and December, 1944. But the "experts" failed to reach agreement or rather to convince their respective governments as to what action should be taken. In short, the experts committee set up by the three governments to advise on common policy, broke down.

Subsequently, as shortages became alarmingly acute, the high-ranking ministers of each Government were called into conference in April at Washington. Out of this meeting came agreement that Canada would be required to provide an additional 200 or 225 million pounds of meat for overseas shipment during 1945. It is this commitment, plus our earlier "minimum" commitment to supply meat to U. K., which is now in jeopardy and which is responsible for the decision to reduce meat consumption by 12% under the present ration plan.

Actually, the situation in Canada as regards shipments of bacon to the United Kingdom has deteriorated to alarming proportions.

Last year, it will be remembered we sent close to 675 million pounds of bacon and pork to Britain. This was an all-time high and greatly exceeded our "minimum" commitments of 450 million pounds. This year, shipments are still running close to 35% below last year and it is now thought likely that we will drop below our **minimum** by something like 40 million pounds. This in spite of rationing.

U. S. Policy

One other factor of importance to Canada is the likely trend of meat ration policy in the United States.

So far as can be learned here from high official sources in the United States, the present intention is to liberalize the U. S. ration but not to remove it altogether. The expectation is that Americans will be put on a 140 pound per person per annum basis as compared with 115 pounds at the low and a present allowance of about 130. This would work out over-all at about 128 pounds for the entire year 1945.

One factor which has helped WPTB in the introduction of meat rationing at the present time has been the decision to abandon a "quota" system for small town butchers who slaughter their own animals. It was this feature of the proposed ration plan which caused such strong objection earlier on the part of drovers, commission men, etc. Such groups would have been heavily hit personally by a quota system.

Now the Board has abandoned this feature and the result is that a very important source of criticism has been removed.

Atlas Steels Ltd. Already Sells Around World

Recent heavy turnover in the shares of Atlas Steel Ltd. that has carried the stock up to new highs is attributed mainly to accumulation by American investors and a generally optimistic view concerning the company's peacetime future. The dividend rate has recently been raised with a quarterly payment of 25c. announced for Nov. 1, 1945, as compared with 15c. previously.

By means of an aggressive sales campaign designed to greatly increase export and domestic markets every effort is being made to ensure that the Welland plant (expanded greatly during war years) will operate at capacity in the post-war period. The present number of employees—around 1,600—has not been allowed to decrease for the last six months, and Atlas confidently hopes to maintain this employment figure. Employment before the war amounted to around 450.

Most of the pre-war export outlets have been contacted and many new ones have already been established. An around-the-world sales program is planned. Substantial shipments of tool steel have been moving to Russia and recent orders have been received from Turkey and China. Many central and South American countries have given every indication of providing increased export outlets.

The company is anticipating a 35% increase in domestic business in view of Canada's increasing demands.

In all, Atlas estimates that production will be sufficient to meet all of Canada's demand in specialty steels and at the same time provide for an increase in export markets. At the moment, however, sales are lagging behind last year mainly because of delays encountered by foreign countries in negotiating credits. An early settlement of these negotiations is anticipated, a company official states.

In anticipation of increased post-war business new warehouses have recently been established in Toronto, Montreal and Windsor and are already in operation in a storing and distributing capacity.

A. L. Bishop of Toronto has recently been added to the company's directorate.

N. S. Shoppers Find More Meats

From Our Own Correspondent

HALIFAX — Consumer feeling about meat rationing is less heated than trade reaction here, as rationing brings back a greater variety of meats to the stores. The average Nova Scotian housewife would gladly suffer the bother of coupons and tokens if it meant securing her family its ration, for Nova Scotia has never been able to supply her own meat needs and national shortages are keenly felt.

Meat dealers in practically all Nova Scotian centres have expressed loud disapproval of the newest rationing order, but most of them have contented themselves with protest resolutions urging the Government to take its export requirements at the packing plants and distribute the remaining meats equitably among retailers for sale without coupon.

The Dartmouth Grocers' Guild, first to protest in the province, and dealers in Amherst are the only groups to go on record favoring strike action unless the rationing is lifted. The general feeling is that the Government never made a clear-cut case for rationing and the opinion is that no meat is saved by the system. Meat producers and restaurant owners have joined in the protest in Halifax, New Glasgow, Glace Bay, Kentville, Springhill, Parrsboro, Yarmouth and Truro.

Simplify Sale Of War Goods

(Continued from page 1)

aid equipment, office furniture and office equipment.

3. Production and expense materials and work in process.

4. Land and buildings.

Basic information required in the case of tools, production equipment, cafeteria, hospital or office equipment or furniture is the government identification number, the original purchase or installation date, the original cost.

On Crown property which the contractor does not want to purchase, an amendment to Order No. 101 prescribes that the contractor advise the Supply Department of War Assets Corp. at Ottawa by filling out a form indicating quantity and nature of the property in question. Plant clearance inspectors when necessary are to be charged with responsibility for the removal or other disposition of the property.

Clearly recognized at Ottawa is the fact that issuance of this order clearly puts the surplus property ball in the hands of War Assets Corporation rather than in the hands of DMS officials who have been carrying it heretofore.

It is argued in defense of this new procedure that War Assets is going to require its own lists and listings of surplus property in any event. Therefore it is thought that it is better to require only one such listing rather than have the work done once by DMS surplus disposal officers and again by War Assets.

Since it is War Assets which will have to sell any property which is turned back to the Crown, it is this corporation which will want to make its own appraisal of the property in question. In many cases it might be unwilling to accept the "paper work" required by DMS, even if that paper work were in a form which met the sales requirements of War Assets.

Chief question mark now becomes the readiness and ability of War Assets Corp. to take over the entire responsibility for looking after disposal of the property which will now be declared surplus direct to them under 101.

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THE STORE FOR MEN

Simpson's

SECOND FLOOR

Admit Federal Cabinet Not Facing Trade Issue

(Continued from page 1)

without some tariff concessions on the part of the U. S.—concessions to which Canada would probably have access.

Such benefits as these, would, it is pointed out, be of such immense importance to Canada that even this country, much as it has benefited by Empire preference, could not afford to overlook them. True, if they were accompanied by complete elimination of the Empire preferences, this would be a heavy and costly blow to Canada in many ways. But (it is argued) it might well be that this country would have no alternative to accepting such a plan, for the present at least, if by so doing it opened the way into the U. S. market and freed once more the huge and important sterling trade area.

Having said this, the initial point already emphasized in this article remains true, namely that there is no evidence that the Cabinet itself or even the Government's advisers as a whole have as yet come to grips with the threat of a vanishing Empire preference. Some studies do exist but they are not complete or in many respects up-to-date.

No one seems to know, for example, what has happened in the past few years to Canadian industry in respect of our dependence or otherwise on the preferential system. It is admitted that the war has brought vast changes in the Canadian economy but just how these have affected the traditional patterns of our Empire trade is not apparently known.

Nor has any recent attempt been made to bring up-to-date the hodgepodge of the Canadian tariff structure itself.

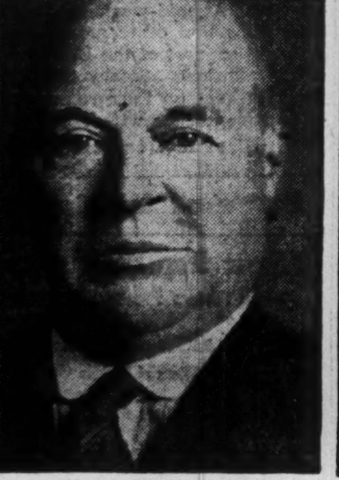
The tariff in Canada still dates back to 1907. No major overhaul has been attempted since that time although important revisions have been made on special occasions such as the Imperial Conference of 1932 and the U. K. and U. S. trade agreements of the thirties.

Conversely, the British tariff system is simple and easily gauged. Over-all the tariff rates are not much more than 10%.

In Canada the tariff is so complex that any quick assessment of the effect of preference changes is almost impossible without detailed study. Our own Tariff Commission has not even functioned since 1939. There has been no one to pay attention to anything beyond wiping out any tariffs which came in the way of war production. Restoration of the Tariff Commission and resumption of some of its pre-war studies on a much broader scale is long overdue.

Imperial Bank of Canada

New Vice-Presidents



Mr. J. W. Hobbs

Mr. W. G. More

Imperial Bank of Canada announces that Mr. J. W. Hobbs and Mr. W. G. More have been elected Vice-Presidents. Mr. Hobbs takes the place of Colonel J. F. Michie who has retired owing to ill health and Mr. More replaces the late Mr. H. T. Jaffray.

Mr. Hobbs is President of Consolidated Plate Glass Company of Canada Limited, of Continental Life Insurance Company; Director of the Canadian Pacific Railway and a number of other companies. Mr. More continues as General Manager, as well as Vice-Presider

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Gough & Co.—J. E. Johnston, director and in charge of major appliance division; J. B. Hammond, assistant.

Lehn & Fink (Canada) Ltd., Dorothy Gray (Canada) Ltd., Lesquendieu Ltd. (Tussy)—C. G. Carmichael, general manager.

Canadian Progress Clubs—Hugh McGregor, Montreal, president of National board.

Canadian Celanese Ltd. — R. H. Sperling, vice-president.

Canadian Pharmaceutical Assoc.—G. A. Lapointe, president.

Canadian Car & Foundry Co.—D. H. Forsyth, secretary.

Ont. Adult Education Board—Wing Cmdr. Ross M. Winter, director.

Burlington Steel Co.—M. S. Sutherland, controller.

Canadian Federation of Property Owner's Associations — Jamieson Bone, Belleville, president; Harold E. Manning, Toronto, vice-president.

Ont. Regional War Labor Board—Bruce F. Morris, St. Catharines, employers' representative.

Department of Veterans' Affairs—Maj.-Gen. E. L. M. Burns, Westmount, director-general of rehabilitation.

Shell Oil Co. of Canada—H. W. Wilson, vice-president.

Canadian National Railways—A. B. Rosevear, K.C., assistant solicitor general.

Montreal Stock Exchange—G. P. Watt (Gairdner, Son & Co.), member.

R. L. Crain Ltd.—H. F. Higgins, Montreal regional manager; C. H. Everett, Ottawa regional manager; W. Cmdr. J. Fraser Coate, Toronto regional manager.

Bell Telephone Co. of Canada—Brig. Willard C. Beamer, general information manager.

Quebec Stock Brokers Assoc.—J. E. Garneau, president; Pierre Fugere, vice-pres.; Paul Guimont, sec.-treas.

Manufacturers Life Insurance Co.—W. R. Parr, supervisor of education, field service dept.; W. G. Rice, assistant agency secretary.

Price Bros. & Co.—A. C. Price, vice-pres., sales; G. F. Layne, vice-pres., manufacturing; P. W. Sims, vice-pres., finance and accounts; W. P. Good, vice-pres, personnel and welfare.

Ontario Steel Products Co.—Brian Heward, director.

Look For It Here

Sept. 22, 1945

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Controls on Building Supplies, Meat and Labor Bring Nation-wide Complaints and Proposals

(For other aspects of the controversy on controls, see articles on pages 2 and 20.)

(Continued from page 1)

Government, protesting sale of war plants (specifically R.E.L.) to private enterprise, accusing management of scrapping useful equipment. (Meanwhile, Corning Glass prepared to occupy the portion of the REL building it will use for its peacetime production). Attempts to arrange meetings between steel company and union officials, federal, provincial and municipal government representatives had not yet borne fruit. Among the steelworkers' allegations were charges that steel companies have no plans for production. (Postwar plans of the major steel companies have been reported in detail in The Financial Post; some are delayed for lack of labor.)

Meanwhile, lack of workers for bottleneck jobs (such as foundry work) continued to be one of the most acute of reconversion problems.

Meat Front

Opposition to meat rationing methods was spearheaded Sept. 11 by a mass meeting of Saint John, N.B., meat dealers, who resolved to stop selling unless rationing was removed or revised by Sept. 24. This date was seized upon by many similar meetings in Toronto, Chatham, Hamilton, Edmonton, Calgary, North Bay, Woodstock, Glace Bay, Moncton, Vancouver, and elsewhere. In most cases, retailers went outside their established organizations to register their protests: traditional groups like the Retail Merchants Associations and the Canadian Retail Federation, though pressing specific recommendations at Ottawa, have strongly urged moderation, are for the most part not officially associated with the "strike" movement. In some places (Hamilton, for instance) belligerent new organizations were formed. On the other hand, in many cities a substantial block of meat dealers refrained from any adverse comment.

Focus on Meeting

Hopes for solution of the problems posed by retailers were pinned to a meeting between meat dealers' representatives and government officials, called for Wednesday, Sept. 19. As the meeting approached, hot-heads (like those who, at a meeting at Chatham, reportedly compared the WPTB to an old horse due for the fertilizer plant) took a back seat and moderates (chiefly heads of established retailer organizations) took over. As the representatives gathered in Ottawa, George Hougham, Dominion Secretary of the Retail Merchants Association, stressed that the meeting would not be simply protest against rationing, but that retailers had definite proposals to make.

"Canadian Grocer," leading publication in the food field (Maclean-Hunter Publishing Co. Ltd., spearheaded the attack of the moderate group in a strongly-worded editorial pointing out that rationing could not succeed without the wholehearted co-operation of the retailers, that reconsideration of the means of cutting Canadian consumption to provide food for Europe is essential.

Objecting retailers fell into four broad groups: those few who said they considered meat rationing of any kind unnecessary; those who thought voluntary rationing would do the trick; those who accepted coupon rationing, but objected to the tokens, and to the coupon values assigned certain meats, the complexity of the system, the alleged "high-handed" attitude of the Board; those who were not objecting, simply asking for advice as to how to cope with loss of volume and customer goodwill induced by a 12% cut in meat consumption.

Concrete Problems

Detailed complaints were many, but chief objections to the meat ration plan were:

1. Slow-moving lines such as hearts, liver, tongues, hocks, meat pies and fancy delicatessen should not be rationed, it was claimed. In the first weeks, retailers found that customers simply would not give up coupons for these fancy meats.

2. Use of tokens as part of the mechanics of rationing adds heavily to the work of understaffed dealers and to the selling expenses.

3. Introduction of meat rationing might, it is felt, have been postponed until packers had supplies of labor adequate to handle livestock shipments, or at which time the actual amounts available for export would have been clearer, and domestic supplies greater.

What most retailers apparently wanted was voluntary rationing, under which the Government would set aside what was necessary for overseas shipments, and the rest would be distributed to the Canadian public through normal trade channels, without use of coupons. Government officials pointed out in reply that this would be simply asking for a black market. What retailers were almost certain to get was revision of rationing mechanics to take care of the "meat pie" situation; in addition, there was some possibility that tokens might be eliminated.

Validity of some of the meat dealers' claims was a matter of dispute. Most frequent observation was that rationing had been given no fair trial, that the first week's business could not be a fair sample. Contributing to the retailers' sense of grievance has been the feeling that while other groups are being released from controls, the distributing trades are feeling a worse pinch than ever.

Housing Front

Controversy has livened in the last few days over government-sponsored house building. The plumbing trade joined lumber groups to battle Ottawa for larger allocation of materials to private building, and for an all-out effort to man industries manufacturing the materials.

Veterans Want More

If builders, trade contractors and materials firms seek greater diversion of scarce materials back to private jobs, veterans and their organizations appear to ask the opposite. Major G. Fay Davies, president of the Canadian Corps Association tells The Financial Post that 90% of Toronto veterans seeking homes are renters by necessity or choice and something like this figure is confirmed for Canada by Wartime Housing studies. "We can't do the rehabilitation job unless we get hundreds of new low-rent houses at once at centres of crucial shortage," Major Davies said. He added that after the emergency the Corps Association would advocate permanent blocks to meet future rental housing need.

In the Toronto district alone at the moment there are on file 1,600 veterans' applications for houses, most of them to rent, according to another source. This authority said evictions were increasing and the housing shortage would create greater hardship among veterans and others this winter and spring.

Plumbing Outcry

Sharper emphasis on plumbing came with issuance Sept. 10 of a wholesale "freeze" order and its cancellation the following day. The order, issued and cancelled by WPTB's distributive trades administration, would have frozen wholesalers' stocks—soil pipe and fittings, range boilers, septic tanks, closet bowls, tanks, seats, one-section laundry tubs, bathtubs, basins and sinks—to protect users holding "veteran" priority, i.e., contractors in Wartime Housing's rental program, others in Soldier Settlement Board's owner program, and for the Faircraft Industries, Montreal factory, prefabricating owner ready-builts.

Talk New Arrangement

R. F. Yates, WPTB deputy administrator of fabricated metals, plumbing and heating tells The Post that an improved priorities arrangement soon will be announced

This week a delegation from National Association of Master Plumbers & Heating Contractors was Ottawa-bound for conference with WPTB-DMS officials on proposed adjustments looking toward greater assurance against stockpiling and more materials for private projects. Pre-conference meetings of plumbing contractors in several cities—Calgary, Regina, Winnipeg, Toronto and others—weighed probable Ottawa intentions, framed probable counter-proposals—(See accompanying news stories).

Plumbing wholesalers appear resigned to temporary presence of government in building. They report the Canadian Institute of Plumbing & Heating as now investigating plumbing inventories, production estimates, labor needs and field demand for early report to help guide joint government-industry action on supply.

Lumber and general supply retailers are still up in arms at priorities extended to government projects, question need and wisdom of building on the contemplated scale in larger cities, warn of possible oversupply of houses and a subsequent building slump, protest their being "practically shut off from normal supply sources" as Ottawa "commandeers" lumber, flooring, wallboard, etc.

(Accounts follow of local discussion on the troubled meat situation. For local reaction on building materials, see p. 20)

'Peg Retailers Urge Revision

From Our Own Correspondent

WINNIPEG—Retailers here have no objection to rationing if it is necessary, but some still doubt this, it was revealed at a meeting of meat dealers held early this week.

But the present system was described as "detrimental to the retail business" with cooked meats and cheaper cuts left in retailers' hands with possibility of spoilage.

The meeting recommended that cooked meats, except cooked ham, fancy cuts, sausage and hamburger, be taken off the list immediately. It was understood that if some change in rationing methods is not made, another meeting will be called to consider further action.

The first week of meat rationing with complications of coupons and plastic tokens has frayed the nerves and tempers of the public but under the circumstances they have taken it more calmly than in some other sections of the country.

Butchers and meat dealers have so far taken the heavy end of the load because the public seems to have made little attempt to become acquainted with the quota they can get under the ration system. Some of the meat stores say it has been next to impossible to do business because it now takes about four times as long to serve an individual customer.

To a great part of the public the meat situation is a paradox which they can't understand. After nearly a year and a half of ration-free meat, it is hard to convince the public of the necessity of the rigid system now in effect, particularly with the war over.

Regina Hopeful Ottawa to Move

From Our Own Correspondent

REGINA — Saskatchewan butchers at first protested reimposition of meat rationing but in the last few days they've been shifting to a "wait and see" attitude, their eyes on this Wednesday's meeting of the Retail Merchants Association of Canada with WPTB in Ottawa.

Regina butchers quickly protested to Prime Minister King; expressed readiness to join any Dominion-wide effort to abolish rationing.

Moose Jaw butchers wired protest to Mr. King, Opposition Leader John Bracken and their local CCF MP.

Saskatoon butchers called the system troublesome but voiced no formal protest; made no move toward a "strike." The odd butcher's threat to close met with little support.

Swift Current butchers made no protest but reported trouble with indignant consumers.

All centres reported reduced sales.

Regina women's organizations generally support the government's meat policy while sympathizing with the butcher's token problem.

Edmonton Seeks Federal Action

From Our Own Correspondent

EDMONTON—Retail meat dealers here have threatened to close their shops on Sept. 24 unless meat rationing is suspended. The dealers are not objecting to rationing as such but to the method; they claim it is awkward and wasteful.

The City Council has endorsed a resolution of Edmonton butchers asking Ottawa to make an immediate new study of the meat rationing system. The butchers claim the Alberta livestock industry is glutted. A representative of two farmers' unions said he was not opposed to rationing if it was necessary but he doubted the necessity in light of prevailing conditions of the livestock industry in Alberta.

B. C. Butchers Seek Changes

From Our Own Correspondent

VANCOUVER — If rationing is necessary—and Vancouver butchers have made it clear that they are doubtful on that point—there is an immediate necessity for modification of the system originally introduced to control sale of meat, it appears here.

Vancouver butchers have gone on record as in favor of revision to meet the demands of "a confused and disturbed public and meat trade."

Some of the points that have caused consternation in the trade in British Columbia are these:

1. The meagre information the Wartime Prices and Trade Board has given out with regard to the necessity of maintaining overseas commitments.

2. Current reports that meat storage facilities are filled to capacity.

3. The fact that the United States will reportedly soon discontinue the rationing of meat.

Calgary Stores May Be Closed

From Our Own Correspondent

CALGARY—Butchers state the demand for cooked meats, bologna, hamburger and wieners has fallen to such an extent that they are all very doubtful if they will be able to sell their stock before they spoil. They will follow the action of butchers in other centres and close their stores unless some action is taken to give them a better chance to sell their stocks.

Farmers state the amount of meat allowed each person is insufficient for men working in the harvest fields. That if meat rationing must be enforced it should not have been started in the middle of the harvest season when men work hard for long hours and need more meat than the present rations allow them. Town women and office workers think they can carry on with the meat as rationed. Restaurant keepers complain they will not be able to get enough meat to supply their customers.

Editor Ralph M. Edwards, of Stylewear, published by Maclean-Hunter Publishing Company Ltd., Toronto, receives Award of Merit from Walter Buchen (left) of Chicago, at eighth annual presentation of Industrial Marketing's awards for business newspaper excellence. Stylewear's win was first by a Canadian business paper in the history of the contests.

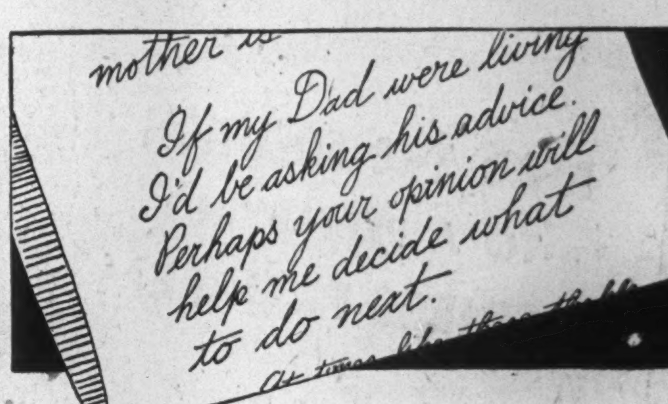
First Win in U. S. Contest Scored by Canadian Paper

New prestige was won for the business press of Canada last week when, for the first time in the eight-year history of the Industrial Marketing annual awards for business newspaper excellence, a Canadian publication was a winner.

The event was marked at Chicago on Sept. 10, when Ralph M. Edwards, editor of Stylewear, published quarterly by Maclean-Hunter Publishing Company, Ltd., Toronto, received the Industrial Marketing Award of Merit "for the greatest improvement in typography, format and general appearance with regard to functional design and appropriateness to editorial services rendered."

The presentation was made by Walter Buchen, of the Buchen Advertising Agency of Chicago, at a luncheon meeting under the auspices of the Chicago Business Papers Association, the Dotted Line Club and the Chicago Industrial Advertisers Association in the Wedgwood Room of Marshall Field & Co.

In response to the chairman's questions as to how the improvement was brought about, Mr. Edwards said that, heretofore a bi-monthly, Stylewear had been made a quarterly and considerably enlarged so that it could be coupled with its sister publication, Mayfair Magazine. Editorially it had been broadened to cover the whole Canadian women's wear field with a new idea: to interpret the Canadian style trends, as given in Mayfair, to every women's wear retailer in Canada and to reach out beyond the domestic field to those of South America, Australia and India.



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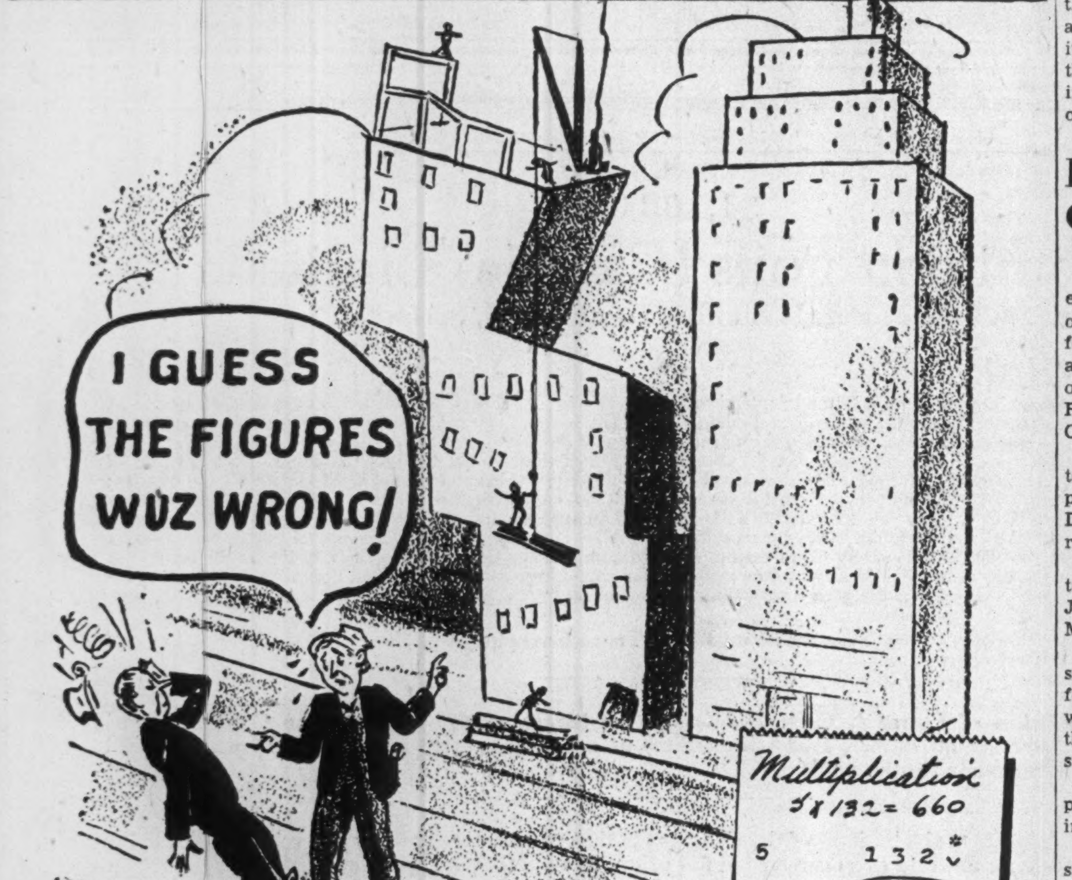

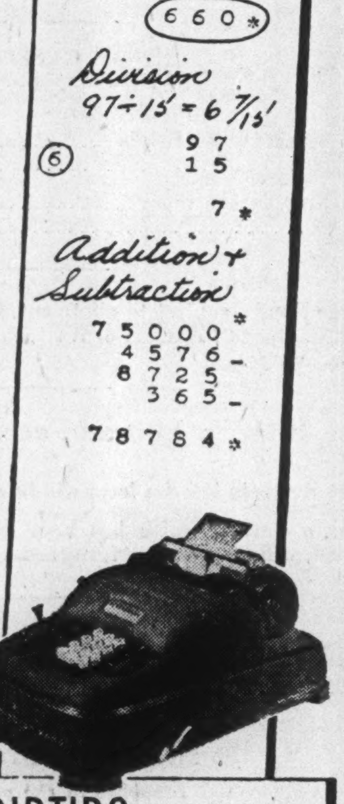

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$425,000

Confederation Amusements Limited

First Mortgage Bonds, Series "A"

To be dated: September 1st, 1945			To mature: From 1946 to 1965		
$20,000	2½%	due in 1946	$ 20,000	3 %	due in 1951
20,000	2½%	due in 1947	20,000	3½%	due in 1952
20,000	2½%	due in 1948	20,000	3½%	due in 1953
20,000	3 %	due in 1949	20,000	3½%	due in 1954
20,000	3 %	due in 1950	245,000	4 %	due in 1965

Principal and half-yearly interest (March and September) payable in lawful money of Canada at the offices of the Company's Bankers in Montreal, Quebec and Toronto. Coupon Bonds in denominations of $100, $500 and $1000 registerable as to principal only. Redeemable at the option of the Company, as a whole or in part, at any time, upon thirty days' notice at the following prices: Maturities 1946-1954 at 101; maturity 1965 at 103 up to September 1, 1954 inclusive; at 102¾ up to September 1, 1955 inclusive; at 102½ up to September 1, 1956 inclusive; at 102¼ up to September 1, 1957 inclusive; at 102 up to September 1, 1958 inclusive; at 101¾ up to September 1, 1959 inclusive; at 101½ up to September 1, 1960 inclusive; at 101¼ up to September 1, 1961 inclusive; at 101 up to September 1, 1962 inclusive; at 100¾ up to September 1, 1963 inclusive; at 100½ up to September 1, 1964 inclusive, and at 100 thereafter, in each case with accrued interest to date of redemption. A sinking fund of $20,000 for the redemption of the 4%, 1965 Bonds, will operate beginning September 1, 1955.

Trustee: General Trust of Canada, Montreal

In the opinion of Counsel, these Bonds will be a legal investment for funds of Insurance Companies in Canada.

Price: 100 and accrued interest

RENÉ-T. LECLERC
INCORPORÉE

(Established 1901)

240, ST. JAMES WEST MONTREAL

U. S. Distillery Closings Not Likely to Cut Sales

MONTREAL (Staff) — Recent closings of distilleries in the United States, due to grain shortages, are not expected to affect either immediate sales or earnings of the big Canadian distillery companies, which operate chiefly in the U. S.

Main effect of delay in getting into large-scale production of whisky and other alcoholic beverages will be lengthening of the period before matured spirits will be available in sufficient quantity to displace, to any extent, present "blends" for U. S. consumption.

"Blended" beverages are made by mixing alcohol, or neutral spirits, with aged stocks. During the distilling "holidays," distillers made sufficient alcohol to provide for the present rate of sale of "blended" whiskies for three or four years, at least.

Meanwhile, the grain supply situation has been easing. In August, grain (other than corn and grain sorghums) allotted to U. S. distilleries was 2.5 million bushels. For the September-December period, the allotment has been raised to 3 million bushels, and it is expected some corn may be made available when actual needs for food are clearer. Supplies of other grains for distilling may be increased later, also.

The 3 million bushel quota for the U. S. is sufficient to permit only six full days operations a month, if all distilleries were to be operated. Recently Distillers Corp.-Seagrams closed temporarily eight of its 10 U. S. plants.

Although no lessening of supplies of alcoholic beverages on the continent is expected, it is unlikely the companies will increase releases for sale to any important extent, at least until increased production for storage and later use is possible.

Nfld. Surplus Still Narrows

Newfoundland's expenditure and revenue pictures for Aug., 1945, followed the trend that has been gradually emerging over the last several months—that of decreasing revenue and increasing expenditure. The movement is not substantial as yet—revenue down 6% and expenditure up 4% for 5 months ended Aug. 31, 1945, compared with the 1944 April-Aug. period.

Total revenue for the 1945 five-month period dropped $1,129,135 from the corresponding period of last year and at the same time expenditures increased $481,952. Excess of revenue over expenditure in the same period amounted to $5,341,772 as against $6,952,859 for last year.

	Aug. 1944	Aug. 1945
Revenue:		
Customs	1,335,140	1,356,141
Posts & Tel.	107,053	99,751
Assessor	635,997	390,827
N. Resources	25,573	15,256
Other revenue	173,520	165,831
Total	2,277,283	2,028,806
Expenditure:		
General	1,904,351	2,049,174
Total	1,904,351	2,049,174
Revenue:	April-August	
Customs	7,612,391	7,211,028
Posts & Teleg.	635,639	597,588
Assessor	7,273,023	7,378,791
Nat. Resources	126,608	132,512
Other	1,814,285	1,012,892
Total	17,461,946	16,332,811
Expenditure		
General	8,307,637	8,810,423
Debt charges	2,201,450	2,180,616
Total	10,509,087	10,991,039

One Alger Hole Checks New Ore

The important vein section of 4 ft. of $79.31 cut in drill hole U-6 of Alger Gold Mines has been extended to greater depth by a section of 3.4 ft. of $14.44 in hole U-12 and by lesser values in holes U-9, U-10, U-12 and U-13 at a point 765 ft. below surface, The Financial Post is informed.

A value of $7.70 over 0.7 ft. was secured in U-10.

Hole U-8 failed to pick up the extension of values found in U-5, but drill hole A-8, drilled below surface hole A-7, showed a wide section containing gold values including $5,39 over 9.5 ft. Hole A-9 100 ft. west and 100 ft. south of A-8 gave $2.69 over 20 ft.

Bathurst Power Plans Research

MONTREAL (Staff) — Bathurst Power & Paper Co., is planning shortly to establish at its plant at Bathurst, N.B., a new research department, staffed by experienced research workers and completely equipped.

Bathurst has been investigating the possibilities in manufacture and sale of half a dozen new products that can be made from raw materials at its disposal, and the task of the new department will be to perfect such new products, as well as to seek new or improved manufacturing processes.

In opening up this new department, Bathurst is following the example of most of the larger companies in the pulp industry who for some time have been increasing their attention to research work.

During the war, larger companies undertook research activities, under encouragement from the Government, primarily to work out new products that might be useful for military purposes. Much was done in this direction, and in addition start was made in perfecting products that have no apparent resemblance to paper (main production activity in the past), and which are likely to be placed on the market in the next year or two.

Back to Brokerage

MONTREAL (Staff) — Lt.-Col. Jean E. Chaput who in 1933 organized with P. H. Brault and P. A. Brault the Montreal stock brokerage firm of Brault & Chaput, has been released from the military forces after six years' service, and has resumed active partnership with his firm.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

R.C.N.V.R. LIEUT. AVAILABLE

SECRETARY-TREASURER'S or comptroller's office—age 28; Bachelor of Commerce degree; five years experience in statistical and financial work. Acquainted with Government set-up in Ottawa. Presently in Toronto — willing to settle anywhere in Canada. Box 84, The Financial Post, Toronto.

AGENCIES WANTED

WISH TO CONTACT firms desirous of world-wide distribution of their goods. Representatives leaving shortly for the United States, South America and Europe. Apply box number 65, The Financial Post, Toronto.

HELP WANTED MALE:

TRUST OFFICER—A man of sound experience and competent as a trust officer to have charge of Estates Department of a growing Ontario Trust Company outside of Toronto. Age limit suggested 28-40 years. Apply: Executive & Professional Office, File No. 569, 174 Spadina Avenue, Toronto, Ontario.

Partnership Wanted

ACTIVE partnership desired in manufacturing, processing or merchandising. Twenty-five years practical experience in control, research and development chemistry. Fifteen years in supervising and executive capacity. Capital available up to $25,000. Box 88, The Financial Post, Toronto.

SITUATION WANTED

EXECUTIVE, experienced in supervision of Purchasing, Stores, Receiving and Shipping Depts., desires position with progressive Company. Excellent references. Apply nearest Employment Office, H. O. 2562.

ATTENTION
Exporters Importers Manufacturers

INTERESTED CHINESE-CANADIAN MARKETS

ENTERPRISING, experienced Chinese sales executive seeks general merchandise lines for distribution in China.

Also welcome contact with Canadian importers interested in Chinese lines. References furnished on request. Box 77, The Financial Post, Toronto.

EXECUTIVE ASSISTANT AVAILABLE

EXCEPTIONALLY broad experience and training. Successful record in each of administrative sales, and technical fields. University engineering graduate. Degree in Management. World travelled. Seeks position as general assistant to top executive, or technical sales, employee relations work.

Experienced in office management, personnel; cost accounting, time and method studies, job evaluation, wage incentive plans, etc.

First class record sales, sales promotion, advertising, sales training and management.

Other experience includes expediting executive large war project; and process research, development, design.

Thirty-five, married.

Box 82, The Financial Post, Toronto.

Plan Air Link Mtl.-Bermuda

MONTREAL (Staff)—A group of Montreal and Bermuda businessmen have entered into the international air transport field, with the formation of Bermuda Airways, Ltd., which plans to start this winter daily flights from Bermuda to New York and Boston, with connecting services to Montreal.

Bermuda Airways plans to use land planes, providing Kinley Field (now used by the armed services, and the only land-base on the Bermuda Islands) is made available to commercial traffic. A delegation of Bermuda officials is now on its way to Washington to urge immediate opening of Kinley Field to commercial traffic, as it is held that Bermuda will suffer in the various planned transatlantic air services, if she does not have suitable landing facilities for land-based aircraft.

Bermuda Airways prefers to use "wheeled" aircraft, as rates in such case would be lower than if amphibious aircraft were used, it is stated.

The new company also plans, in addition to its international service, various other activities in the Bermuda and Somers Islands area, including special charter work.

President of the new company is Edward A. Goodeve, Montreal, president of Canadian Air Express and an advertising executive. Other directors include: Peter N. Dawes, L. M. Parker and David B. Crombie, all of Montreal; Morris Gibbons and Seward Toddings, members of the Bermuda Assembly, and Richard Plater, also of Bermuda.

Second Sask. Maturity Refunded By Province

From Our Own Correspondent

REGINA — Second cash payment for a maturity of Saskatchewan bonds this year by the Saskatchewan CCF government, was announced here by Provincial Treasurer C. M. Fines. This was $500,000 on the $3,000,000 maturity of 4½% debentures due Sept. 15.

The remainder, $2,500,000, Fines said, was being refunded at 3½%, representing an annual interest saving of $47,000. The refunding operation was handled through Dominion Securities Corp., Wood, Gundy & Co., and A. E. Ames & Co.

A maturity of $2,250,000 which came due in July, 1945, was all paid off in cash.

SEC.-TREAS. or COMPTROLLER

Executive, 46, of proved abilities, long experience as comptroller, secretary-treasurer. Competent in office administration, desires to become associated with progressive concern. Box 80, The Financial Post, Toronto.

FOR SALE

Common Carrier Business, large western city, operating 35 units, gross annual earnings over $200,000. Approximate value rolling stock, equipment and buildings $150,000. Apply Frank Freeze, Cope Agencies Ltd., Calgary.

To Holders of

Province of Alberta Debentures

Attention of holders is again directed to the Debt Reorganization Offer of the Province of Alberta.

Copies of the Offer in printed form, together with copies of the Letter of Acceptance and Transmittal, may be obtained from the Depositary, which is the Imperial Bank of Canada. We shall also be pleased to forward copies upon request.

We believe that the Offer of the Province is fair and equitable; therefore, if the plan is to become operative, it is important that all holders act promptly and thereby expedite the completion of the plan.

Should your debentures be pledged with a bank as collateral, please notify the bank that you wish to accept the Offer of the Province and request the bank to take appropriate action.

36 King Street West
Toronto 1
Telephone: ELgin 4321

Wood, Gundy & Company
Limited

Feather-Weight Metal

Out of the war have come a myriad of new uses and a heightened respect for Magnesium, newest and lightest of industrial metals. This metal, stimulated to full development by the rigorous requirements of war, has demonstrated the practicability of its remarkable property of light weight combined with strength.

For investors with capital seeking employment in a new soundly financed industry with prospects of rapid expansion on its own merits, we suggest the purchase at the market of:

Dominion Magnesium Limited

No Par Value Capital Stock

These shares are listed on The Toronto Stock Exchange

Descriptive literature available upon request.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
Metropolitan Building; Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London.
Correspondents in New York and London, England.

These bonds having been sold, this advertisement appears as a matter of record only

New Issue

$1,100,000

Dominion Foils (Canada) Limited

5% First Mortgage Sinking Fund Bonds, Series "A"

To be dated September 1st, 1945 To mature September 1st, 1960

Principal and semi-annual interest (March 1st and September 1st) payable in lawful money of Canada at the holder's option at any branch in Canada of the bankers of the Company. Bonds in denominations of $1,000 and $500, registerable as to principal only. Redeemable either in whole or in part at any time prior to maturity, on 30 days' notice at the option of the Company, at 103% of the principal amount thereof if redeemed on or before September 1st, 1950; thereafter at 102% of the principal amount thereof if redeemed on or before September 1st, 1955; and thereafter at 101% of the principal amount thereof if redeemed prior to maturity; together in every case with interest on said principal amount accrued and unpaid to the date of redemption. The Company covenants and agrees with the Trustee that it will create a Sinking Fund for the redemption of the Bonds of Series "A", by paying to the Trustee, commencing September 1st, 1948, a sum sufficient to retire annually a principal amount of Forty-two thousand Five hundred dollars ($42,500) of the said Bonds of Series "A". In addition, the Company shall pay to the Trustee annually commencing on the First day of September, 1949, a sum equal to the annual interest on all Bonds of Series "A" which had previously been retired through the Sinking Fund.

Trustee: The Royal Trust Company

In the opinion of Counsel, these Bonds will be investments in which The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended states that companies registered under it may invest their funds.

The general nature of the business of the Company is that of operating foundry and rolling mills for the processing of aluminum, tin, lead and composition foil primarily used for packaging material.

CAPITALIZATION
(upon completion of the present financing)

	Authorized	To be outstanding
5% First Mortgage Sinking Fund Bonds,	$1,500,000	
Series "A", (this issue)		$1,100,000
20 Year Notes Payable July 1st, 1964	794,691.53	794,691.53
Shares of no par value	150,000	150,000

We offer these Bonds, subject to allotment, if, as and when issued and received by us, and subject to the approval of Messrs. Foster, Hannen & Watt, as counsel for the Company, and of E. R. Parkins, K.C., as counsel for the underwriters.

PRICE: 100 and accrued interest, yielding 5%

It is expected that Bonds in interim form will be available for delivery on or about September 15th, 1945.

A Prospectus, a copy of which has been filed under the provisions of the Companies' Act, 1934, (Canada) as amended, will be promptly furnished upon request.

NESBITT, THOMSON & COMPANY
LIMITED

355 ST. JAMES STREET WEST, MONTREAL

Branches in the principal cities of Canada

284A

my boy returns

Any young man who has served from three to six years in this war is going to be late starting the business of life. And it will not be easy going. Parents everywhere want to do the best thing for their boys and yet avoid interfering. To make sure that their support is continued in any eventuality, some men have revised their Wills and made financial provision for their son to complete his post-war re-establishment. Above all, they want to put their support of him at such a crucial time *on the record*. In revising your Will for this or any other reason, our long practical experience in the planning and administration of estates is at your disposal. A consultation can help you to put your ideas in workable form. Write or telephone for an appointment.

THE TORONTO GENERAL TRUSTS CORPORATION
BRANCHES IN PRINCIPAL CITIES
HEAD OFFICE: 253 BAY ST.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES
Agency Building - - - Edmonton, Alta.
221 A 8th Ave. W. - - - Calgary, Alta.
McCallum-Hill Building - - - Regina, Sask.
407 Avenue Building - - - Saskatoon, Sask.
1 Royal Bank Building - - - Brandon, Man.

THE FARMER MUST have the NEWS!

Every week, more than 300,000 Canadian farmers, and their families get the news (plus plenty more!) through their favorite magazine — the Family Herald and Weekly Star . . . The Family Herald gives them up-to-the-minute developments in world affairs, brisk editorials, comments and news highlights . . . In addition, the Family Herald prints more straight agricultural news than any other Canadian rural paper — plus — pages of fiction and material for home and fireside.

All of which provides a rich editorial background for any advertiser wanting to reach the rural market.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

INVESTMENTS THIS WEEK

Municipal Decks Cleared For Fiscal Expansion

The Dominion Government brief to the Dominion-Provincial Conference on Reconstruction indicates clearly that a strong basis has been laid for postwar municipal construction and financing. Municipal revenues 1939-43 outstripped expenditures, total debt has been cut 18% and debt service costs have been cut 21% to give the municipalities the cleanest financial picture in many years. That this picture will provide the background for a wave of municipal financing is taken for granted in investment circles.

Debt retirements and sliding interest rates have knocked Canada's municipal net debt charges down 21% from 1939 to 1943. This was twice the rate of decrease of the pre-war years 1933-1937.

Main reason for the sharply accelerated downward pattern in municipal debt charges: barred from large-scale expenditures on public works programs, municipalities have been able to approach a "pay as you go" policy. Debt retirements in many cases have not needed to be replaced by new debentures and many debentures with callable features have been redeemed and then re-issued at lower rates of interest.

Helping on the credit side has been the high recovery of tax arrears which (already written off) has been used to reduce municipal indebtedness, also the higher tax revenues from increased assessment values. Building, particularly on the outskirts of cities and towns, has sharply stepped up assessed value of these outlying districts.

The greatest improvement was shown by Ontario where debt charges dropped 31%. Saskatchewan followed with a 25.5% reduction. Nova Scotia and Prince Edward Island, on the other hand, saw debt charges actually increasing somewhat during the war years.

Total gross debt has been cut about 20% in the same period (1939-1943). This was almost four times the rate of decrease as was evident in the four-year period 1933-1937 when gross debt fell only 5.2%. A break-up reveals that the sharpest reduction was registered by rural municipalities where total debt tumbled 25.8%. This was followed by smaller urban communities (towns, large villages) where a 21.8% decrease was experienced. Metropolitan areas trailed with a 17.6% improvement. These figures reveal a complete reversal of the trends evidenced in the 4-year period 1933-1937 when small urban areas registered a reduction in total gross tax of 11%, metropolitan areas 4% and rural areas an increase in total debt of 15.6%.

Revenue has increased over 8% in the period 1939-1943 as compared with 4.3% for the period 1933-1937. Greatest increase has been registered by rural areas—22.7%. Small urban areas came next with an 8% rise and metropolitan districts trailed with a minor 1.8% increase.

* * *

Calls For Tax Aid

If Canadian industry is to prosper and meet the heavy tax bills of the future, attention must be paid to industry's needs for rehabilitation and increased productivity, President H. M. Jaquays stressed at the recent annual meeting of Ontario Steel Products.

Mr. Jaquays voiced a call for at least temporary relief from taxation to permit industrialists to accumulate funds required during the period of rehabilitation.

If industry is to be in a position to pay the large taxes which will evidently be required in the future, to finance the many proposed security proposals, Mr. Jaquays thinks that every effort must be afforded to encourage productivity on an economical and efficient basis.

In the case of Ontario Steel Products, taxes paid to the Federal Government since June, 1939 have totalled $2,134,000. Net profit in the year ended June 30, 1945, is reported at $88,884 compared with the pre-war average of $96,700 for the fiscal years of 1937 and 1938.

* * *

Car Strike Hurts Gov't

With war vehicle production ending Sept. 15, 1945, the Canadian automotive industry is now devoting its entire production to the needs of peace.

That a strike should have developed at the Windsor plants of Ford of Canada at the important period of reconversion means that civilians will have to wait longer for cars and that the company concerned will be involved in extra expense at a period when it can ill afford it. The strike will not only involve company and workers in expense but the Dominion Government will also be a loser to the extent that it will receive less profits taxes than would normally be the case.

* * *

Some statistical experts claim that the supply of automobiles will not equal the demand until the year 1951 and there appears little doubt but that there will be a huge and profitable business done by motor car manufacturers—once motor car manufacture really gets under way.

Reports are to the effect that a fairly high volume of trucks for civilian purposes and UNRRA will be built this fall and this should be "a useful bit of knitting" for the car companies until passenger vehicle production again gets in gear.

WAC Aircraft Sales Exceed $3.8 Millions

MONTREAL (Staff)—Total sales of surplus aircraft, aero engines and airplane equipment by War Assets Corp. to the end of August is reported at $3,809,685, including $230,191 sold last month. The August sales included 708 aircraft, of which 399 went to purchasers in Canada and the others to purchasers outside the Dominion.

C. G. CARMICHAEL

appointed general manager of Lehn & Fink (Canada) Ltd., Dorothy Gray (Canada) Ltd., and Lesquendieu Ltd. (Tussy products).

Sask. Arranges Refund $3 Millions Debentures

Arrangements have been completed for the refunding of $3 millions of 4½% debentures of the Province of Saskatchewan, maturing Sept. 15, according to an announcement by Provincial Treasurer C. M. Fines.

The province has issued 3½% debentures for $2.5 millions and has paid off in cash the balance of the issue amounting to $500,000. As a result of this refunding the province will effect an annual saving in interest of $47,500. Mr. Fines estimated. The refunding issue of 3½% debentures was made through the Dominion Securities Corp., Wood Gundy & Co., and A. E. Ames & Co.

Increased Capital For Victoria Trust

Directors of Victoria Trust & Savings Co., Lindsay, Ont., have decided to increase paid-up capital by $115,000, thereby bringing total paid up to $925,000. Present shareholders will be entitled to subscribe for additional shares of capital stock on basis of one additional share for each eight shares held. The shares will sell for $100 each.

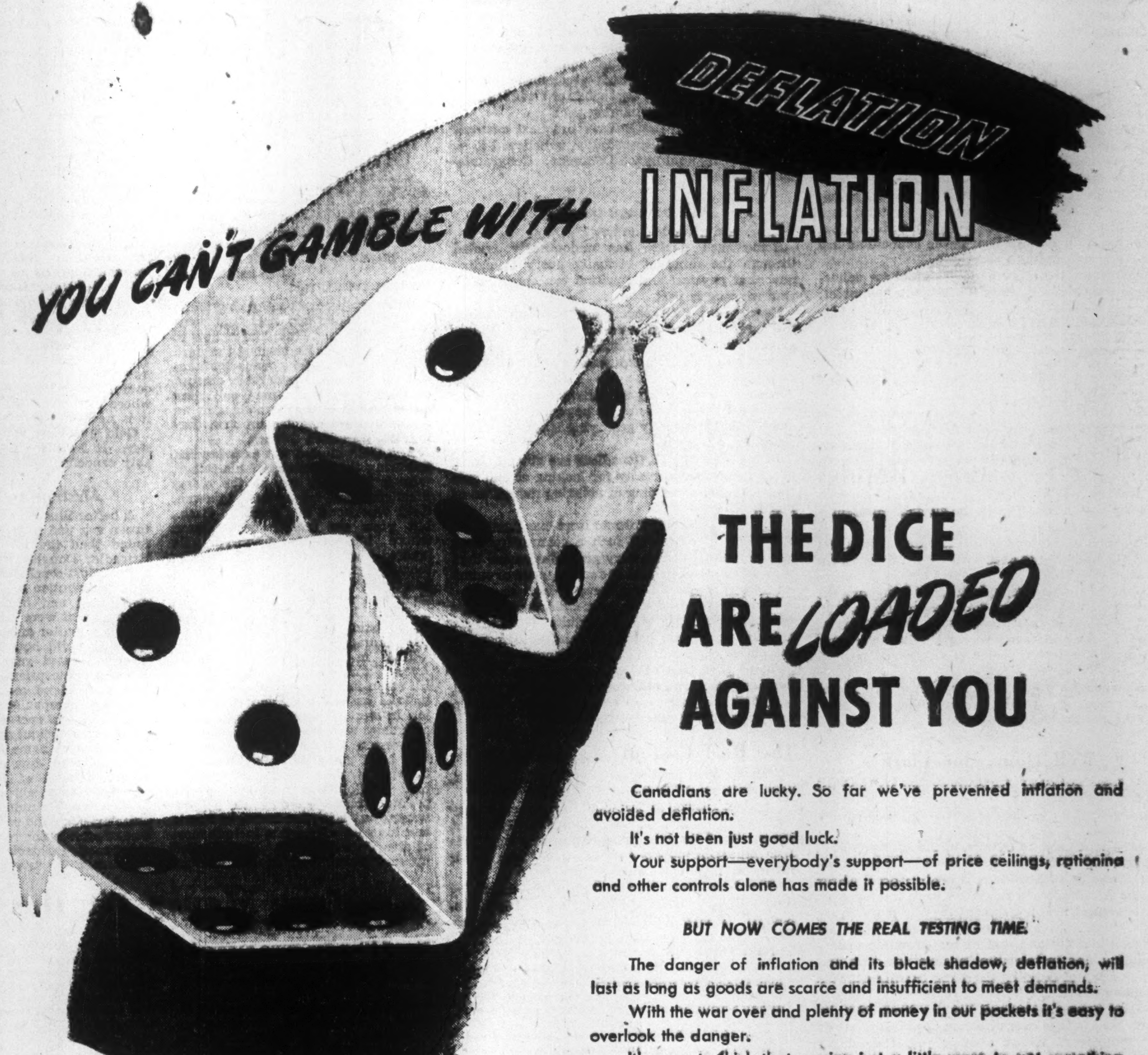
The subscription privilege will expire Oct. 15, 1945. At an early date, warrants will be mailed to each shareholder specifying the number of shares for which he is entitled to subscribe. Fractional warrants will be forwarded in bearer form.

Directors will deal as they see fit with shares not bought under subscription privilege, it is stated.

PROVINCE OF NEW BRUNSWICK
3% SINKING FUND DEBENTURES
Due July 1, 1959
PRICE 98.75 yielding 3.11%
BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

INTEGRITY
When a Financial House is sound, true and reliable—that is Integrity. Our code has always been integrity and service first.
Drop in to see us or write.
GOODWIN HARRIS & COMPANY
STOCK BROKERS AND BOND DEALERS
Members:
The Toronto Stock Exchange
Montreal Curb Market
Vancouver Stock Exchange
Canadian Commodity Exchange Inc.
347 Bay St., Toronto Phone AD. 9041 — Private Wires — Sarnia, Ont. Phone 3630

CHARLES E. PURNELL (REALTOR)
20 Years specializing in Appraisals, Realty Valuations and Advice.
For Arbitrations, Probates, Succession Duties, Inventories, Realty and Business Assessment Adjustments and Equalizations.
14 Years Chairman City of Hamilton Court of Revision
1415 PIGOTT BUILDING Phone 7-3889
HAMILTON, ONTARIO



THE DICE ARE LOADED AGAINST YOU

Canadians are lucky. So far we've prevented inflation and avoided deflation.

It's not been just good luck.

Your support—everybody's support—of price ceilings, rationing and other controls alone has made it possible.

BUT NOW COMES THE REAL TESTING TIME.

The danger of inflation and its black shadow, deflation, will last as long as goods are scarce and insufficient to meet demands.

With the war over and plenty of money in our pockets it's easy to overlook the danger.

It's easy to think that paying just a little more to get something we want is unimportant now.

It's easy to think that what you do can't hurt—and to forget that careless, extravagant buying is a sure way to help a general rise in prices.

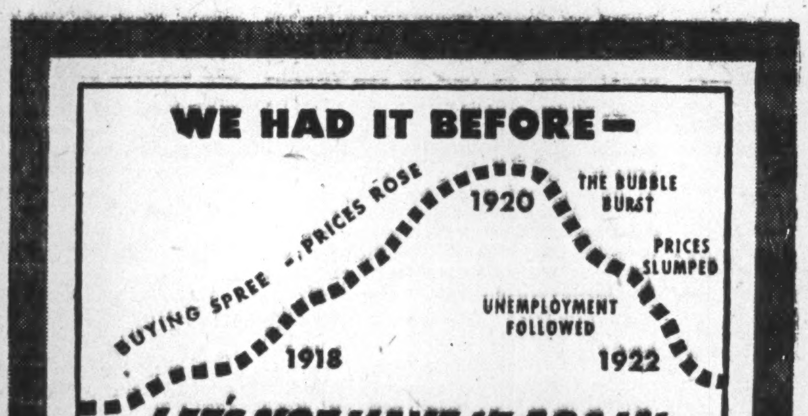
That's how inflation gets going.

BUT INFLATION IS ALWAYS FOLLOWED BY DEFLATION.

And deflation brings cancelled orders, bankrupt businesses, mortgage foreclosures, unemployment and distress—distress you can't avoid.

Until industry gets back to normal, price ceilings, rationing and other controls are our safeguard.

SO—Keep on watching your buying. Don't rush to buy scarce goods.
Keep on saving your money. Put it into Victory bonds and War Savings certificates.
Keep on supporting wage and price controls, and rationing.
Keep on fighting inflation and its black shadow . . . deflation.



This advertisement is one of a series being issued by the Government of Canada to emphasize the importance of preventing a further increase in the cost of living now and deflation and unemployment later.

Consider Investing in Davis Leather Company Limited

Few Canadian companies have a longer established record for conservative and profitable expansion and earnings than Davis Leather Company Limited. The Company is the world's largest manufacturer and exporter of Baby Calf Leathers for ladies' fine quality shoes and handbags.

The business goes back 100 years through four generations of the Davis family.

In peacetime its exports go to twenty-one countries.

It has never needed tariff protection, nor has it ever accepted subsidies.

Its financial strength is evident from the fact that net current assets at December 15, 1944 were equivalent to $31.89 per share of Class "A" Preferential Stock outstanding. For over eight years dividends have been paid in amounts exceeding present requirements on outstanding Class "A" Shares. Current earnings are at a rate of double these requirements.

We unreservedly recommend Davis Leather Company Class "A" Cumulative Preferential Non-Redeemable Convertible Shares as a sound conservative investment yielding better-than-average income. Relative to current market values, we consider them underpriced.

Davis Leather Company Class "A" Shares are listed on the Toronto and Montreal Stock Exchanges. We shall be pleased to execute your order "at the market" or it may be placed through your own broker.

Approximate market price $29, yielding 5.17%.
Complete detailed report sent on request.

Gairdner & Company, Limited
Toronto
Montreal Hamilton

The Editorial Page

Demands That Delay Prosperity

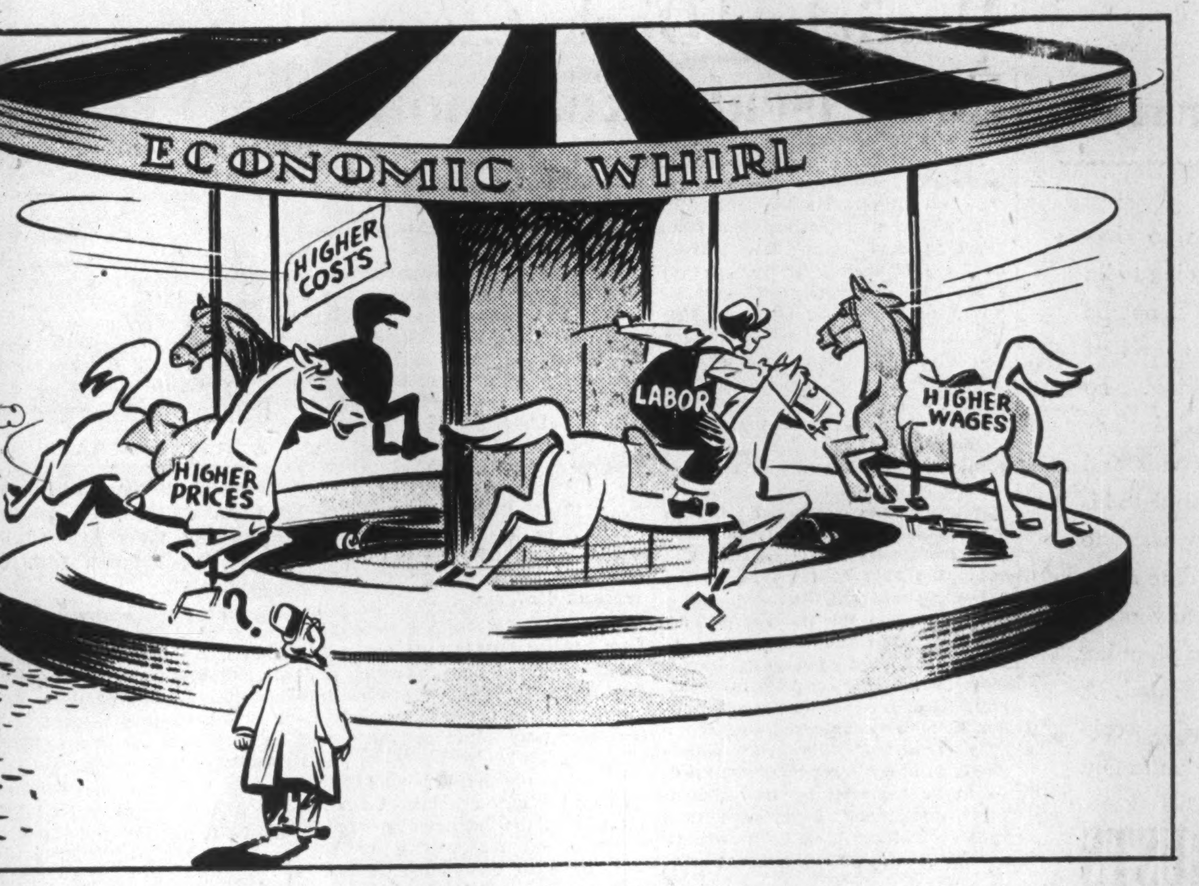
Certain spokesmen for war workers have demanded that where a Crown war plant is being sold to private companies for civilian production, the authorities insist that the new buyers guarantee former employees employment, rates of pay and seniority rights. The proposal seems about as sensible as would be that of the seller of a house demanding that the purchaser take over his cook, gardener and chauffeur even though all three were specially chosen and trained to cater to the peculiar tastes of the original owner. The buyer may desire an entirely different kind of cooking, may have little interest in gardening and perhaps no car to drive.

Purchasers of these Crown war plants are in a similar position. They are certainly interested in a very new type of production, the market for explosives, military aircraft, guns and other products these war plants produced, having contracted notably in recent months.

How could they take over a block of labor at guaranteed rates of pay and seniority and expect to make a competitive success of an entirely different kind of production? They could not and such a deal, in any case, would be unfair to servicemen returning to Canada and expecting employment.

There always has been and must continue to be a considerable amount of elasticity in job changeovers and especially so in the mammoth switch we face in reconversion. We cannot expect to swing from war to peace production overnight or without substantial temporary adjustment in employment or wages. It takes time to convert plants and change machinery and it also takes time to find new uses for plants built entirely for war production.

Fortunately, to tide him over between jobs, the warworker has a cushion provided by the abnormally high wages paid him in the last three or four years. Moreover, from the very start of the war he and everyone else must have known that we faced such a changeover problem and the longer the war lasted the bigger the upset at the end. But in trying to saddle postwar employers with all sorts of impractical conditions we are only going to prolong that upset and delay the period of prosperity which, if we keep our heads, is surely coming.



"THEY'RE ALL TIED TOGETHER"

For Better Municipal Government

An event of importance and of much promise for the future is the appearance of "Publication No. 1" of the Institute of Local Government.

This organization, linked with Queen's University, is devoted to the betterment of local government through finding and publishing basic but hitherto unknown or little known facts about it.

Canadians almost constantly see examples of municipal councils fumbling; trying to wade in waters in which statutes expressly forbid municipal trespass. Every councillor and local official well knows the time-wasting tangles which councils usually get into in months following elections while new members are learning elementary principles of their job.

This first report of the recently formed Institute is entitled "The Municipal Council and Councillor in Ontario." In 53 pages it sets forth clearly and simply basic information which could be secured previously only by years of experience, and the delving into a multitude of legal tomes and political science texts.

In addition to setting forth the purely factual material, this useful document for public-spirited citizens, whether in or out of local government activity, includes sage comment like this:

The authors point out that councillors, especially new ones, will almost inevitably get into fights with permanent municipal officials.

Councillors, it is pointed out, are great for seeing (usually with the instigation of some voters) how some general policy or rule works, in an individual case, hardship or injustice; hence councillors are great for demanding exceptions.

Officials on the other hand are great for adhering to the rulebook. Says the Institute pamphlet:

> "Either view carried to the extreme would be undesirable. In practice the conflict of the two views brings about a compromise that is beneficial to the community. An understanding of why this difference of opinion exists should do much to eliminate any animosity which it might otherwise tend to arouse."

And the Institute also has very sound advice for local government in dealing with the press.

The press is the only link between government and people. Through the press government tells what it is doing, wants to do, won't do. Through the press the public has its only continuing means of keeping the activities of the elected representatives under scrutiny.

The Institute warns councillors and officialdom that the best way to deal with the press is to help it get all the facts.

Good local government is the foundation of good provincial and national government. Its task in the years ahead will be immense. How it carries out that task will have a very great deal to do with the health, comfort, pleasure, safety and pocketbook of the citizen.

All agencies promoting the betterment of local government are serving a most timely and most urgent need.

Well Done, Joe Clark

It would not be proper to let Joseph W. G. Clark return to business life without a word of editorial appreciation for a tough and usually thankless job well done.

Joe Clark came to Ottawa in the spring of 1940 on the request of Hon. C. G. Power. At that time there was no such thing as a civilian press officer in the Air Force and newsmen were treated with little respect if not with contempt by most "brass hats." Mr. Power insisted that Clark retain his civilian identity and that he match public understanding and appreciation against the vast and untried job of building the great experiment of a Commonwealth Air Training Plan.

Clark succeeded so well that by June, 1941, he was asked to take over direction of public relations for the Army. Within another year the further step was taken of including under one civilian director the public relations of all three services. This has been Mr. Clark's responsibility now for over three years. Just how he has kept these three departmental lines clear and untangled during that time is one of the minor miracles of the war.

What is clear, now that Mr. Clark is stepping back into "civilian" life, is that public relations for all three services can best be handled at the top, by someone in civilian capacity. Only in this way can there be free and untrammelled relationships as between the public and the various levels of administrative authority.

Enterprise Distributes Wealth

One of the commonest charges made by those who would socialize all industry is that wealth becomes more concentrated under the private enterprise system. CCF and other radical orators would have us believe that a few great companies and a dozen families own Canada, lock, stock and barrel.

There is not a shred of truth to support such an absurd statement; the facts indeed indicate a notable trend in exactly the opposite direction.

Special statistics compiled for the Sirois Royal Commission, show, that for the years 1937-40, over 60% of Canada's national income was distributed in wages and salaries. About 20% went to men running their own "small businesses." Investment income, on the other hand, accounted for only slightly over 10%. And among the receivers of that investment income, it should be remembered, are hundreds of thousands of small investors with a few bonds.

Actually, of course, anyone only reasonably familiar with the development of private enterprise knows that that system can only grow and prosper by increasing the general wealth, through the production of new goods, involving new jobs and security in the community. The story of the 45-year growth of the Hermant organization on page 11 of this issue of The Financial Post, well illustrates that principle of wealth and job distribution.

Like the rings from a pebble dropped in the water, growth of private enterprise is outward throughout the whole economic structure, not at all like the one way suction of a whirlpool.

Convalescence Without Worry

Last week, Glenerin Hall, convalescent home for employees of the Robert Simpson Co., was formally opened. Here in country air, about 25 miles west of Toronto, employees recovering from an operation or threatened with a breakdown can recover full health, free of any financial worry.

Despite shortages of equipment and labor the home is now fully equipped and staffed, and ready to handle a substantial number of patients. In addition to ample inside accommodation the 85 acres of grounds are equipped for varied recreations and include a swimming pool.

This project, a particularly practical example of wider employer responsibility, is believed to be the first of its kind in the Dominion. Congratulations, Simpson's.

The Place of Art

". . . and what do I do now?"

Some such phrase has undoubtedly trailed through the mind of virtually every Canadian now that physical and spiritual concentration on war winning is past.

Everywhere men and women are up against the truth that the making of money, the performance of business and domestic routines, is far from enough to make life's enjoyments substantial and satisfying.

Among the relatively few things that man down through the ages has found to be permanently substantial and spiritually gratifying is art—painting, sculpture, and so on.

In coming years all Canadians are going to have much greater opportunity for looking at and getting some understanding of artistic productions of merit.

The Art Gallery of Toronto is an excellent demonstration of how well such a community need can be met. It does a very great deal more than provide successive series of famous, good or interesting pieces of art for citizens to look at.

It provides special classes for children of various age groups, study groups for adults. It makes art a truly democratic possession and enjoyment of the entire community. It is an important instrument of good citizenship. Last year over 150,000 persons, young and old, passed through its portals.

Businessmen may well support the membership campaign of this excellent institution.

The Real Cost of War Abundance

"If we can produce so abundantly for war, why can't we do as well or better for peace?"

A good answer to that now so common fallacy was recently given in the Chicago Daily News, the paper of the late Frank Knox who made his last important public address to a victory loan dinner at Toronto.

The News was commenting on an article by Stuart Chase who, rhetorically, asked "Is it dishonest?" to hold that we can do as well in peace as in war.

Said The News:

> "It is dishonest unless one emphasizes that this high production was reached under the lash of war necessity, and under conditions that people would accept readily as necessary in war but would not endure in peace.
>
> "It is dishonest unless one emphasizes that it was attained at uneconomic cost, attended with colossal waste because the products were needed immediately and cost was not a consideration.
>
> "It is dishonest unless one emphasizes that it was achieved at cost of regimenting the entire nation, virtually eliminating normal industrial and business activities not connected with war production;
>
> "It is dishonest unless one emphasizes that this abundance was achieved by rigidly controlling raw materials, wages, prices;
>
> "It is dishonest to cite this prolific production unless one points out that it did not produce a more abundant life for the people."

Sure, mighty works can be achieved under regimentation when, to save its life and to fight for its principles, the body politic goes into voluntary servitude; hands over to its leaders the power to say what we shall do, where and when we shall do it, what we shall enjoy, how much of our earnings we may keep for spending and saving.

But who contemplates with pleasure permanent slavery? Let no one be deluded by this plausible sounding casuistry of the Socialists.

Stop Me If—

A woman was asked by the customs official at the landing post, "Anything to declare, madam?"

"No," she replied sweetly, "nothing."

"Then, madam," said the official, "am I to take it that the fur tail I see hanging down under your coat at the back is really your own?"

* * *

Everyone in the village had vainly searched for a lost cow. Finally the local nitwit went out and brought her in.

"How did you find her so quickly?" the owner asked in surprise.

"Why," the nitwit explained, "I jest thought if I were a cow where I'd go, and I went there and there she were."

Post Scripts

Shelter Leader

A tall, rangy westerner named Eric Gold is Donald Gordon's "tough guy" in charge of the WPTB Emergency Shelter Administration. Mr. Gold is the fellow who gets sulphuric telephone calls from people who castigate him as exercising "diabolical abuse of bureaucratic powers" when he moves in to see that vacant dwellings are put to use.

MR. GOLD

Actually Gold is far from a bureaucrat. He will go to infinite pains to hear both sides of the story and usually leans over backward to give landlords at least an even break.

But when it comes to making tough decisions under his new and very sweeping powers, Gold knows how to handle himself. He learned the hard way when he made a name for himself (and also a considerable amount of money) as a one-man collecting agency in western Canada for an American farm implement firm during the depression thirties.

Eric Gold started out as a lawyer, following the footsteps of his father, who is rated as one of the oldest practicing lawyers in Saskatchewan. Gold was born in Langham, Sask., but grew up mostly in Radisson where his father practiced. He studied law at University of Saskatoon and graduated in 1929. To help put himself through, he spent summers and winters in such places as a Peace River sawmill and doing fruit picking and fire-fighting jobs in the Okanagan Valley.

Then in 1934 an official of the Avery Farm Machinery Co. of Peoria, Ill. (then in receivership), asked him to take on a credits and collections job in western Canada. Quite a lot of money was owed to the company by western farmers and the picture had been complicated by introduction of new debt adjustment machinery. So Gold was given the job. He proved such a good collector that he was moved to the head office at Peoria and his field widened to include most of the United States. He travelled up and down most of the western states for a few years and just when his friends thought he had left the Dominion permanently he decided to quit and come home.

Gold settled in Winnipeg to handle credits and collections for the J. I. Case Co. Then came the war and after being turned down by all three services, he applied for a job to Donald Gordon and found himself appointed regional rentals officer for WPTB in Manitoba. A year and a half later he was named western supervisor of rentals and subsequently brought to Ottawa, first on the Rentals Control and then in the Emergency Shelter administration. In May, 1945, he was appointed Co-ordinator.

At that time, the administration extended only to the half dozen key cities which were the focal points of housing difficulties. Today, under the new order of Sept. 1, the regulations now include the entire country. Gold, by the way, had made recommendations to this effect even before V-J Day. Having made a trip across Canada he became convinced that the old conditions under which emergency shelter had been administered in only seven communities had now changed. His biggest job now, before the snow flies, is to get vacant housing accommodation, anywhere in Canada, into use, wherever it is needed.

Gold is married and has one youngster. If he has a hobby it is probably canoeing.

* * *

Airstrips to Houses

A better illustration of the gulf between war and peace could hardly be found than the job change-over of Brigadier Douglas Hinch Storms. In the war just concluded he made a notable contribution to allied success by developing and building emergency airstrips that were all ready for business in a matter of hours. Now he is going to build houses. He has just been appointed general manager of Housing Enterprises of Canada, a limited dividend corporation the life insurance companies have set up to build, own and operate rental housing projects throughout the country.

The Army's name for the new airstrip material developed by Storms and a handful of fellow Canadian army engineers, was PBS — meaning prefabricated bituminous surfacing. It came in 300-pound rolls and either before or after laying resembled a waterproof roofing material. By a machine, nicknamed the "stamp licker," developed by another Canadian engineer, it was laid at the rate of 4 m.p.h.

Born in Hamilton 52 years ago, Storms has spent a third of his adult life as a soldier and the other two-thirds in the construction business. A graduate of the Royal Military College in 1913, he is a veteran of two wars with almost 10 years of active military service to his credit. In the First Great War he went overseas as a lieutenant in the artillery, was wounded at Hill 70 and was awarded the Military Cross. He commanded the Canadian artillery in the Siberian expeditionary force. Before being demobilized with the rank of major he held various military appointments in Toronto and Petawawa.

Following that war he went back to university to complete his education and obtained his B.A. Sc. degree from the University of Toronto in 1920. He then entered the construction field. After a short time he formed his own company, Storms Contracting Co., with the aid of his war gratuity and the backing of a few friends in Hamilton. It is only natural, therefore, that he is a strong advocate of ambitious young veterans of the Second Great War using their war gratuities to finance the establishment of their own business.

During the inter-war years, Storms gained wide experience in the construction field as president and general manager of the Storms Contracting Co., general contractors, and the Bituminous Spraying and Contracting Co. At present he is on leave of absence from these companies. When the construction program of Housing Enterprises of Canada, which is expected to extend over two years, is completed, he will return to his own companies.

In 1941 he went overseas in command of the 4th Battalion, Royal Canadian Engineers. First in England and later on the continent he built army camps, hospitals, workshops and airfields. Following the invasion of Europe, he went to the continent as a chief engineer of works for the 21st Army Group. In this capacity he had up to 18,000 engineer troops and 10,000 civilian workers under his command.

Storms has the distinction of having been decorated by King George V, Queen Elizabeth and King George VI. During the last war, King George V pinned the Military Cross on his tunic. Two years ago, Queen Elizabeth gave him the O.B.E. and, this year, King George VI awarded him the C.B.E.

More Money for the Company Treasury

Novel Plan for Mine Financing Would Short Circuit Racketeering

Can security frauds be curtailed by greater control of the proportion of the investor's dollar reaching the mining company treasury? An experienced observer who wishes to retain his anonymity, thinks that this is the case and in the following letter to The Financial Post, makes some interesting suggestions as to what he thinks should be done.

Of basic importance to the ultimate success or failure of the individual investor in making money in mining, and of the mining industry in developing new mines, is the part of the investor's dollar reaching the mining company treasury—and the part reaching the promoter's pocket.

The provincial Governments at present appear unable to deal with the situation where too great a proportion of the investor's dollar is taken by the promoter because Ontario is unwilling to offer full co-operation. In view of this circumstance uniformity can only be achieved by Dominion control.

An alternative to the proposed new extradition treaty might be for the Dominion Government to set a percentage of promotional profit in the resale of shares optioned from the treasury of a company until the said treasury has received at least $100,000 from the optionee, and to supervise such sales to ascertain that the treasury of the company was receiving an appropriate percentage of the monies contributed by the public. In the case of new companies it might be required that the optionee furnish the Dominion Government with a report after the disposition of each block of 50,000 shares showing the sources of distribution to the general public and the cost thereof. All commissions paid would be computed as profit and not as cost and any subterfuge used to disguise a sale as primary should be severely punished.

As a suggestion, ninety per cent of the net profit gained by the optionee and all sub-optionees should be immediately applied as a payment on the option until the company has received a sum of $25,000 in its treasury. After the company has received the sum of $25,000, 85% of that profit should be applied as a payment on the option until the sum of $50,000 has been received in the treasury. After receiving $50,000, 75% of that profit should be applied as payment on the option until the sum of $75,000 has been received in the treasury. After receiving $75,000, 70% of that profit should be applied as a payment on the option until the company has received $100,000 in its treasury. A sliding scale could be set to cover further profits until all shares under the option have been paid for.

Existing options should not involve more than 60% of the remaining authorized capitalization of the company after satisfaction of the vendors' interests; be in such terms that a minimum payment of ten cents per share would be required and that not more than one third of the total shares under option would net the company less than twenty cents per share. Three per cent of the total vendors' share interest could be free at the outset, a further 3% when the treasury had received $30,000 and additional releases of 2% as and when each further contribution of $10,000 is received in the treasury of the company until $150,000 had been so received. All subsequent releases to be based on results obtained at the property. If this system were adopted the public would be assured that the "mount" which it had backed was at least in condition to give them a run for their money.

Today it would not be too difficult to find a mining issue in Ontario wherein a sum of $100,000 had been raised from the public and less than one-fifth of that sum had reached the treasury of the company and wherein a very large proportion of that fifth would be required to be used to pay legal fees. On a racetrack a horse in that condition would not be allowed to face the starter, and a full refund would be made to the public holding such parimutuel tickets. One province cannot legislate another and it would seem that if the Dominion Government would step into the picture as suggested at this stage every speculator, immaterial of his nationality, would be assured of a fair run for his money. Bona fide promotions to further the development of Canadian natural resources would not be hampered as the promoter could cash in after performance. There certainly would not under such circumstances be any need for a new extradition treaty.

As far back as 1940 it was announced that the Department of the Secretary of State had progressed in the matter of the setting up of a Central Bureau for the purpose of gathering information with respect to securities dealers throughout the Dominion and distributing such information to the various provinces. As the framework has apparently been completed it would seem that now is the opportune moment to finish the job.

The Province of Manitoba has been successful in enforcing every person engaged in the securities business to be affiliated with the Winnipeg Stock Exchange, with the result that "fly-by-night" securities dealers have been prohibited from opening offices in that Province. A Dominion-wide association of securities dealers or provincial associations of persons engaged in that business could be formed wherein membership would only be allowed if the applicant qualified on a character basis. This association could also refuse to allow its members to handle issues wherein the directors and officers of new companies did not qualify on a character basis. The government authorities in each province could restrict the issuance of licenses to persons approved by the suggested associations and, as in Manitoba, the local securities commission could have representation on all admission committees.

Uniform Provincial control is preferable but impossible due to the stand taken by Ontario. The participation of the Dominion Government as outlined plus the co-operation of the securities dealers throughout the country would ensure Canadian justice to all persons who wished to contribute venture capital for development of Canadian natural resources. Bona fide securities dealers working in the interests of Canadian mining development should be subject only to the laws of this country.

"Brass Tacks."

What Others Are Saying

Editorial of the Week

Let's Have Fair Taxes

Vancouver Sun

If Mr. Ilsley cannot yet reduce taxes much, at least he can make fair taxes. At present our taxation system is riddled with injustice and full of official tyranny.

If you are a bondholder in a company you pay one income tax. If you are a shareholder you pay two, one on the company's profits and one on your dividend. If you own any other kind of capital you are not taxed on it but if you own an annuity, which is capital and nothing else, you are taxed on it as income.

If you underpay the Government in taxes you are charged interest. If you overpay and the Government hangs onto the money for months or years, it pays you no interest.

If you disagree with the decision of a tax official you can appeal to the Exchequer Court in Ottawa and spend two years and thousands of dollars in litigation; whereas convenient appeal tribunals are provided in Britain and the United States. And if you file an income return in the spring you will be lucky to get the account cleared up in eighteen months to two years or longer.

During the war when the Government had to get money almost anyhow, the public could tolerate this wretched tax law but it will not be tolerated now that peace has come. Mr. Ilsley had better recognize that fact in his forthcoming budget. If he cannot give us more than a token tax reduction, as a kind of promise of better things later, at least he can see that his heavy taxes are collected fairly and promptly.

Other People's Views

INCOME TAXES MUST BE REDUCED SUBSTANTIALLY, states the **Edmonton Journal** and it follows up that statement with this argument: "The people cannot forget that last year the war and mutual aid called for an expenditure of $4,450,000,000. This year, according to the vote last spring and the Government's notice at the present session, the two items will take $3,165,000,000. Nor is it forgotten that Mr. Ilsley is asking the country to lend the Government an additional $1,500,000,000 next month. If war expenditures have dropped by more than $1,000,000,000 this year, why the need for continued high taxes? A billion dollars, it would seem, could be cut from the nation's 1945 tax bill, and the Government still have ample for its needs—not for its fancies. The Government should take the earliest possible moment to tell the people, who provide it with the money, just how much cash is required for expenditures arising out of the war, how much for trade and farm subsidies, how much for welfare services and how much on other account."

BRITAIN CAN ONLY PAY HER WAY by sending out more exports, points out the **Family Herald and Weekly Star** (Montreal). "Almost everyone in Canada," it comments, "admits that we must take more British goods in the future than we did before the war. But almost every individual industry or interest which may be asked to face greater competition from Britain as a result, will protest that it should be someone else who suffers!

"The Government must be tough and realistic about these protests. Tariffs must be arranged for the benefit of the country as a whole and in the light of this urgent need to accept more British manufactured goods in exchange for our primary products.

Canadian industry is intelligent enough and efficient enough to adapt itself to changed conditions without too much hardship. The pressure of individual groups must not be allowed to undermine the policy of freer imports, which both the Government, the economists, and the public believe to be right."

MOVE TO THE COUNTRY is the advice of the **Farmers' Advocate** to those urban people who can't find a place to live. Advises the Advocate: "Sooner or later, many of these present urban dwellers will get themselves sorted out and placed where they belong—that is in small towns, villages and in rural homes. That is where thousands of them have come from in the past five years, and that is where they should now go if we are to have a well-balanced social and economic system. An unbridled extravagant home-building program, confined to urban centres, might lead eventually to a situation which would put 'For Sale' and 'For Rent' signs in the windows of a good many vacant homes."

TAXATION RELIEF can be brought about asserts the **Calgary Herald**, "if the Government applies the axe ruthlessly to wartime costs, including the mushroom bureaus in Ottawa established for war purposes. The war is over, but little evidence of the fact comes from the seat of government."

A HIGHLY UNDESIRABLE SITUATION could very easily develop in consumer's goods, points out the **Winnipeg Free Press**, were price control removed. "For many of these goods, particularly certain lines of clothing, are in very short supply today. Greatly increased production of consumer's goods is the answer to the danger of inflated prices on these goods, with price control acting as a stop-gap policy until that increased production is achieved."

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September 29, 1945

Should M. P.'s Indemnities Be Raised?

The Question: President Truman has suggested doubling congressmen's salaries. What would you suggest regarding remuneration of our members of Parliament and why?

Herbert Adamson

Secretary, Income Tax Payers Association of Canada, Winnipeg.

I believe members of the House of Commons will have to be suitably rewarded if we want the position they occupy to be one of dignity and honor and if we expect their important functions to be performed efficiently. My opinion is that an increase in the present sessional indemnity from $4,000 to $10,000 is desirable and that the net result of the extra expenditure would be an economy.

• • •

A. Emile Beauvais

Chartered accountant, Quebec City.

I believe that the salaries of our members of Parliament should be adjusted to an amount sufficient to offset at least the increase in their cost of living and travelling expenses. I do not think that any part of their income should be exempted from income tax as they should share the burden of taxation on the same basis as all other Canadian citizens. Their position, however, is probably worse than that of most salaried taxpayers and an upward adjustment in their rates of remuneration would, in my opinion, be equitable.

• • •

Dr. H. L. Brittain

Director, Citizens' Research Bureau of Canada, Toronto.

In Canada sessional allowances to legislators are rather indemnities than salaries. United States practice is different and therefore the cases are not parallel. My judgment is that the indemnity idea is sounder and safer than the salary idea. One should be able to discharge a salaried man for incompetence but not a member of Parliament sent there by the vote of citizens.

Some who enter Parliament make such large financial sacrifices that no practicable payment would compensate for them. Whether on the average the present scale is sufficient could be determined only by careful confidential enquiry.

A small committee of citizens not personally interested should be able to advise the Government on this point.

• • •

K. B. Carson

Saint John, N.B.

Under present taxation schedules only the very rich or the very poor can really afford to be members of Parliament. I favor an absolute increase in indemnity or special tax exemptions to bring Parliamentary salaries up to a point where they can compare with returns from the professions. I would suggest a net the same or even higher than the present gross income, in any case, sufficient to make public service financially more dignified and attractive. Otherwise, a rising standard of living will increasingly restrict the amount of available first-class political material.

• • •

J. J. Carrick

Former Member of Parliament for Port Arthur.

As a member of the Ontario Legislature 1908-1911, and a member of the House of Commons 1911-1917, I would say that being a member of Parliament is a sucker's game.

When I think of what we had to put up with from some of our uproarious constituents and from supercillious cabinet ministers, I would double President Truman's suggestion and quadruple present salaries.

My old constituency of Thunder Bay and Rainy River has since been divided into three ridings and now has three members—one a cabinet minister. So you'll see what a superman I was when it now takes three members to do the work I did. Yes, I would give every member of Parliament a cabinet minister's salary.

• • •

Judge D. J. Cowan

A former member of Parliament, Brantford, Ont.

Payments of $4,000 to member of Parliament is not salary but an indemnity, as the Statute states. The intention is to indemnify members for extra expenses for attendance at Ottawa. The income tax branch decided the indemnity was taxable as a salary and no allowance was made for extra living expense. If the indemnity were free from tax no serious complaint could arise. The rate of indemnity should be increased moderately, if taxed as income, due to extraordinary expenses of members from long distance maintaining two homes and consequent diminution in earning capacity. I fear too high an indemnity as tending to create a class of professional politicians who would make it the means of earning a living.

• • •

Hon. P. M. Dewan

Former Minister of Agriculture for Ontario, Ingersoll, Ont.

Yes. If members of Parliament must continue to meet the obligations of recent years, then they are entitled either to increased indemnities or certain exemptions.

In the first place a member is constantly making contributions to one cause or another. Secondly, sessions of Parliament are longer than they used to be and a representative is forced to live several months of the year away from home, in effect, must establish a second home.

When it comes to income tax no deductions are allowed for living expenses while residing at the seat of government. This is an injustice. A remedial measure of some sort is overdue.

• • •

R. J. Dinning

Executive vice-president, Burns & Co., Calgary.

If all members at Ottawa will unselfishly and irrespective of party politics direct their energies to solving the many major problems with which this country is faced in this critical period there will be little or no opposition to increased remuneration. The Western members, most of whom are men and women with modest incomes, represent constituencies of great area and costly to serve. Their remuneration should be in keeping with their responsibilities, and sufficient, at least, to protect them from personal loss during their tenure of office.

• • •

R. J. Deachman

Former M.P. for Huron, writer and speaker on economic subjects, Ottawa.

The poor layman lacks the facts on which to base a judgment. I would suggest that The Financial Post publish an index of wage rates for 1913 and 1943 as given on page 10 of the supplement to The Labor Gazette for June, 1945. Then give us the rate of sessional indemnities for the same years. The cost of living has gone up in this period.

Members must be absent from home for from six to eight months every year. Some compensation should be made for living costs when in Ottawa on the business of the nation. I do not care what members of Congress get. This is our own business.

• • •

Hon. John T. Haig, K.C.

Member of the Canadian Senate since 1935, and senior partner, Haig & Haig, Winnipeg.

I favor increasing the sessional indemnity from four to six thousand with two thousand living allowance annually out of this amount.

• • •

Cecil Lamont

President and public relations director, North-West Line Elevators Association, Winnipeg.

Members of Parliament should be properly compensated for the time they devote to the nation's business through increased indemnities or a proper allowance for income tax purposes for out-of-pocket expenses incurred in attending their sessional duties at Ottawa and for travel in their constituencies. The public should not continue to expect to obtain the services of able men to sit in Parliament at a financial sacrifice to themselves. The net income from sessional indemnities under present conditions is inadequate.

• • •

John Marshall

Represents Windsor Star in Press Gallery, Ottawa.

The present scale of indemnities for members of the House of Commons and Senate—$4,000 per session—is satisfactory, provided the income tax is removed. Indemnities should never have been taxed, as they are given to allow members to maintain themselves on a self-respecting basis and to maintain independence. If the tax were removed there is no reason why they could not serve the country without financial loss in most instances and free from temptations sometimes placed in the way of legislators. Since the era of high income taxes many members have suffered financial loss and been forced to live in circumstances not in keeping with dignity as the people's representatives.

• • •

Hon. N. M. Paterson

Member of Canadian Senate, Fort William and Ottawa.

Many of us feel it would be unwise to increase indemnity of members and senators at this time, but as earnings cease and expenses continue for many members while attending Parliament, as an alternative an allowance should be made deductible from income taxes for extra expenses incurred. The cost of living away from home is a great hardship to many and detrimental to good government.

• • •

J. S. B. Pemberton

Honorary secretary, Montreal Branch, Canadian Institute of International Affairs, Montreal.

In my opinion salaries of members of Parliament are too low and should be raised. Present salaries make it difficult to get men of ability to make the substantial monetary sacrifice involved in being members of Parliament. This is particularly the case when the member's home is far distant from Ottawa.

E. E. Perley

Former Pro.-Conservative member House of Commons for Qu'Appelle, Sask.

I would suggest that the indemnity of our members of Parliament should be increased to six thousand dollars and that it be exempt from income tax. You cannot get the right type of professional and business men to offer themselves for public service and devote their time and energy in conducting the country's affairs under present conditions and the present salary.

• • •

J. B. Reynolds

President, Toronto Milk Producers Association, Port Hope, Ont.

Members' allowances are indemnities, not salaries, that is, payments to meet expenses and they should not be taxed as incomes. With usual confusion of government departments, four thousand dollar indemnities are taxed 30%. M.P.s are granted certain valuable prerequisites, such as free transportation for themselves and families. At least half of the year they are free to follow their vocation. If this half-year indemnity will not attract men in the higher income brackets, a more democratic choice can be made of men with average incomes. Public demands on members' purses should be discouraged. To members it becomes a way to buy votes. Minimum legitimate election expenses should be borne by the state.

• • •

H. E. Rice

Mayor for Huntsville, Ont.

I believe an adjustment of salaries for members of Parliament is overdue. The two thousand for members of the Ontario legislature is absurd. Length of sessions at Ottawa and the increased cost of accommodation in the city together with application of income tax regulation applying to salaries of members quite fully justifies, in my opinion, a four thousand dollar salary for members of the legislature who have many details to supervise in their ridings which federal members escape. The salary of federal members should be increased to five thousand.

• • •

L. J. Robichaud

Former president, Chamber of Commerce, St. Johns, Que.

I realize that income tax and increase in cost of living render the position of members of Parliament very difficult at this time but the same situation applies to all those who live on a fixed salary or income. It is hard to understand why part of their indemnities was not earmarked long ago to cover living expenses while away from home and be exempt from income tax. As matters now stand, I consider that it would be of bad taste to give members of Parliament preferred treatment at this time without giving relief to the other classes.

• • •

Col. J. E. L. Streight

Former Liberal Member in House of Commons, Islington, Ont.

I would say Canada should follow suit as our members of Parliament have never been sufficiently rewarded for their services. A member of Parliament after a strenuous life can expect nothing but defeat, perhaps broken in health and without pension he returns home to start afresh where he left off — much poorer, but I think wiser. Churchill hit the nail on the head when he said that never so many, owed so much, to so few.

• • •

Harris L. Walsh

Editor, The Standard, St. Catharines, Ont.

The members of Parliament should form a representative committee and present a brief to the Canadian public on the issue of their indemnities. They will find the newspapers fair and also the Canadian public. If the case is properly presented, the members will improve their lot substantially. It would be a fine example, a thin edge of the wedge if indemnities were exempt from income taxation. It would mean eventually a break for the other fellow in the same or lower bracket.

Canadians are not a niggardly lot as soap-boxers might declaim, when it comes to payment for public service. In any event, service in Parliament should not be a rich man's game.

• • •

Ian Sclanders

Executive editor, Telegraph-Journal & Evening Times-Globe, Saint John, N.B.

I'm all in favor of higher remuneration for our members of Parliament. It used to be said that only the very poor or the very rich could afford to go to the hospital. It is getting so only the very poor or the very rich can afford to go to Parliament—the poor because the $4,000 sessional indemnity is better than starvation and the rich because they don't have to worry about money.

The member in the middle income brackets usually loses by serving in the House of Commons. He is away from his own business or profession a large part of the year, he has to maintain during that part of the year, a hotel room or apartment at Ottawa while his rent at home continues, and he is branded as a skinflint if he doesn't shell out generously to every charity which comes along and buy tickets to every church supper and fireman's ball. He has other expenses he wouldn't have in public life, such as entertaining visiting constituents at the capital.

All this puts him behind the financial eight ball and despite cynical statements about political graft, most of our public men have died poor, some of them head over heels in debt. A more adequate indemnity would enable a lot of able men in the middle income brackets to go into politics and probably give us better government.

BUSINESS THIS WEEK

	AUG.	JULY	JUNE	MAY	Year Ago
THE FINANCIAL POST PRODUCTION INDEX (1)	....	222.7	229.0	233.2	250.2
GOVERNMENT FINANCE (millions of $)					
National income, D.B.S.	....	....	....	....	731.0
Dom. war expend	....	152.4	202.6	183.8	266.9
Dom. total revenue	....	238.7	211.3	282.8	253.2
Dom. total expend.	....	388.6	421.3	488.8	489.9
MERCHANDISING					
Dept. store sales index no. (1)	....	133.0	169.1	162.8	116.8
Retail sales index no.	....	170.7	196.6	182.0	155.1
Wholesale sales index no.	....	204.4	207.5	205.7	177.8
Country store (% change pr. yr.)	....	....	+8.5	+1.6	....
FINANCE					
•Dividend payment index (5)	140.0	140.0	140.0	140.1	129.9
Bank debits (1)	....	....	206.3	232.6	176.9
Bank deposits index (1)	....	237.8	241.0	223.6	207.6
Money supply (millions $)	....	....	6,651	6,679	5,776
NEWSPRINT % OF CAPACITY					
Production ratio	....	76.0	72.0	68.8	68.7
Shipment ratio	....	79.2	69.8	68.9	70.2
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S. index)	....	208.4	235.0	221.4	235.0
Cars (D.B.S. index)	....	161.2	156.0	153.5	147.5
COST OF LIVING					
D.B.S. index	120.5	120.3	119.6	119.0	118.9
EMPLOYMENT INDEX, D.B.S.					
All industries	....	175.4	175.3	175.5	183.5
Manufacturing	....	207.0	209.0	210.0	225.8
Payrolls (June 1/41=100) (2)	....	144.5	143.3	145.4	148.1

	1945	1944	1945 Jan. 1 to date	1944 Jan. 1 to date	% Change
RAILWAYS—(000's omitted)					
•Carloadings (week Sept. 8)	66.0	66.1	2,469.3	2,500.8	—1.3
•C.P.R. gross rev. (Sept. 14)	6,369	6,303	222,647	222,904	—0.2
C.N.R. gross rev. (June)	39,657	37,389	213,869	213,579	+0.1
C.N.R. net rev. (June)	9,348	8,435	39,398	40,983	—3.9
C.P.R. gross revenue (July)	28,978	2[illegible],316	183,706	181,891	+0.9
C.P.R. net revenue (July)	3,896	3,659	21,116	26,340	—19.8
IRON AND STEEL (000's omitted) (July)					
Pig iron production (tons)	150.4	166.0	1,092.4	1,115.5	—2.1
Steel production (tons)	229.2	234.4	1,824.8	1,747.0	+4.4
CONSTRUCTION (000's omitted)					
Contracts awarded (June) $	58,375	37,315	175,748	152,737	+15.7
Building permits (July) $	18,777	13,350	99,329	76,885	+29.2
Cement prod., bbls. (June)	1,041.2	994.7	3,168.3	2,778.3	+14.0
AGRICULTURE (000's omitted)					
Flour prod., bbls. (July)	1,822	1,742	14,341	13,919	+3.0
•Flour exp., bbls. (July)	1,106	753	9,746	9,408	+3.6
•Wheat exp., bush. (July)	43,095	16,508	191,774	185,919	+3.1
Cattle sales (Aug.) (4)	156.2	154.6	1,073.6	868.3	+23.6
Hog sales (Aug.) (4)	338.7	506.6	4,072.7	6,190.7	—34.2
SEA FISHERIES (000's omitted)					
Catch, cwts. (March)	277	272	1,816	1,441	+25.9
Landed value (March) $	1,579	1,163	4,247	3,526	+20.1
NEWSPRINT (000's omitted)					
•Production, tons (Aug.)	287	263	2,102	1,987	+5.8
•Exports, tons (Aug.)	304	275	2,090	1,995	+4.7
MINING AND OILS (000's omitted)					
Coal prod., tons (June)	1,271	1,233	8,420	8,387	+0.4
Gold rec. (fine oz.) (July)	194	215	1,501	1,738	—13.7
Petroleum proc., (brl.) (June)	672.9	824.5	4,521.8	5,035.8	—10.3
ELECTRICAL POWER OUTPUT (000,000's omitted) (July)					
Total monthly kw.h.	3,285	3,149	23,957	23,679	+1.2
FOREIGN TRADE (thousand $)					
Imports (July)	138,681	148,452	937,376	1,012,981	—8.5
Exports (July)	282,709	278,713	2,001,107	2,024,980	—1.2
FINANCE (millions $)					
Bank debits (July)	5,419	4,733	38,087	34,660	+9.8
Bond sales (Aug.)	210.8	293.1	4,017.5	4,114.6	—2.4
Life insurance sales (July)	56,835	52,196	373,594	379,104	—1.4
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod., pr. (June)	3.3	3.0	19.2	18.2	+5.5
Cotton consump., lb. (July)	10.5	11.6	78.1	80.8	—3.3
Cigarette cons. (no.) (July)	1,096	882	7,496	6,409	+48.1

(1) Base period 1935-39=100
(2) All industries
•New items for week
(3) Bank of Commerce est.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, est.

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"Which way would I live longer?"

Overweight and long life are not apt to go together.

In fact, the death rate of people who are as much as 20% overweight *is appreciably higher than average!*

It is astonishing how gradually overweight can creep up on you. Don't let it! Excessive fat places a burden on more than your two feet; in fact, it is frequently a contributory factor to high blood pressure. It makes your heart, kidneys, lungs, liver, and arteries work harder *all the time.* It tends to increase your chances of developing diseases of these organs—and diabetes, too!

Obesity is usually caused by eating more food than the body can use up. Most of the excess is simply stored up as fatty tissue unless it is burned off in work or play. In other words, too much food and not enough exercise generally make you fat.

Occasionally, of course, excessive weight is due to a glandular disturbance, which requires expert medical attention for correction or control. But when you plan to "reduce," start by having your doctor examine you anyway. He'll advise you whether or not you *should* take off weight.

Your doctor will tell you how to develop a safe, sane, and practical reducing program that will help you avoid the harmful effects which sometimes accompany too stringent a diet or too violent exercise. And never use so-called "reducing drugs" except on his recommendation.

If you are past 30 and somewhat overweight, there is no better time than now to get yourself in fighting trim. After this age it becomes increasingly advisable to keep your weight down—even to stay slightly *under*weight. Once you're over 30 it becomes more difficult to take off overweight.

Youngsters—particularly girls in their teens—should be especially careful not to undermine their health on risky "health" diets.

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These Vancouver shipbuilders, who look as if they were building a ship, actually are doing the opposite: they're taking apart for salvage this and five other partly built British Admiralty transport ferries cancelled since V-J Day. "Construction in reverse" on these 345-ft. $2 million hulls will give War Assets Corp. about 9,000 tons of steel for disposal; keep quite a few workers in the yards for part of the reconversion period.

WHAT'S NEW IN BUSINESS

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

Frozen Food Locker service for apartment house dwellers is now being tested in Chicago. Company installs a battery of food lockers in the apartment house and rents individual lockers at $2 a month. A subsidiary company takes orders for frozen foods and fills the lockers at 2-week intervals. Lockers are maintained at zero temperature and are the convenient reach-in type.

• • •

Dentists' Drills and their accompanying "fear complexes" may be replaced soon by a new device which cuts tooth enamel and dentine swiftly, painlessly and without noise. The instrument operates on a principle something like sand blast, but uses aluminum oxide as the abrasive, applying it with a pinpoint stream of compressed air.

• • •

Carbon Monoxide Gas can be detected by a new safety device when it reaches concentrations as small as .01% — far below the danger line for human beings. The device has been perfected by a Swedish engineer who anticipates a wide usage in boiler rooms, kitchens, closed buses and trucks.

• • •

New Skin Protector now offers relief and protection to mechanics and others who suffer from occupational dermatitis. The compound, prepared by Industrial Safety Equipment Co., Toronto, forms an invisible coating over the skin. When applied once a day, it acts as a preventive against skin infection and irritation for workers coming in contact with petroleum and tar oils and other compounds, to which many workers are normally allergic.

• • •

Breaking Records is commendable in athletics but not so where phonograph discs are concerned. RCA Victor has now announced development of an unbreakable, high-fidelity phonograph record which will be available to the U. S. public in October, perhaps in Canada shortly after. The record is flexible, ruby red and slightly transparent. It weighs 13 ounces against the standard 24 and is a hair thinner than the old style disc. It can be played on almost all types of home record players, including those with automatic record changing devices.

• • •

Air-Conditioned Trolleys are one of the new postwar developments soon to emerge from fancy into fact. Pullman-Standard Car Manufacturing Co. has announced that it will soon deliver the first air-conditioned, trackless electric trolley ever built. It will be used experimentally in Atlanta, Ga. WPB has authorized construction of 322 similar vehicles this year. Cooling and humidifying capacity of the new trolley is equal to that on the latest railway cars which have about twice the cubic content. This is necessary because of rush hour crowding and frequent opening and closing of doors during a run.

• • •

Radio Taxis have proved such a success in Cleveland that they'll soon be common in most North American cities, experts believe. Since last October two Cleveland taxis have been operated by the Cab Research Bureau, equipped with two-way radio communication. Tests proved that ability to talk to cabs "on the fly" instead of having drivers report by phone cut out 30% of normal "dead" mileage. Ordinary taxis run one nonrevenue mile for each live one. So successful were tests that it is now estimated a large percentage of the 50,000 cabs in organized operation in U. S. will be similarly equipped within the next three years.

• • •

New Airliners capable of carrying 48 passengers are expected to be in service on U. S. routes within a year. Donald W. Douglas, creator of the DC-3 which today handles virtually all U. S. air commerce, has announced its postwar successor, the radically designed DC-8, with engines driving propellers located in the tail. It's said to operate at a direct cost of 7 cents a ton-mile as compared to 13 cents with the DC-3. The new plane will be twin motored and has flexible interior features, permitting more cargo when there are fewer passengers. No sales price is yet announced.

• • •

FM and Television will be available in a single radio set due on the market soon after Christmas, Farnsworth Television & Radio Corp. announces. Production is already under way, according to a company spokesman who, however, didn't reveal details of the set.

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B.C. Hydro Now Serves 1,400, Aims to Cut Rural Power Cost

From Our Own Correspondent

VANCOUVER—More than 1,400 B. C. customers are now being served by the provincial power commission and the list is growing. The commission is now operating the Duncan and Nanaimo utility as well as small public utility plants in the Cariboo and Okanagan districts.

Its main objective, according to Chairman S. R. Weston, is to reduce cost for electricity, especially in some of the rural sections of the province neglected in the past.

Taxes as Rate Factor

Mr. Weston claims that B. C. consumers formerly served by private companies were sometimes obliged to pay 25% more for the same services and this, he said, was partly due to the fact that no tax was collected on government hydroelectric systems in the east.

One private company, on the other hand, had to pay 20 cents out of every dollar, and another company had paid a dollar a month per consumer in taxes.

Mr. Weston points out that British Columbia's per capita consumption of electricity has been half that of Ontario and that this is possibly due to the fact that the rate has been three times as high.

"There is a demand for rural electrification which can only be met by extending distribution systems serving the towns," says Mr. Weston. "The electrical plants including the distribution systems in the towns were not adequate to supply their present customers and certainly not suitable for extensions to the surrounding rural districts. Therefore the commission had to establish services of its own."

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Socony Suspends Quest for PEI Oil

From Our Own Correspondent

CHARLOTTETOWN — Two years of drilling for oil ended this month on an "island" of steel, concrete, wood and rock a mile out in Hillsboro Bay 8 miles from here. The operation was Hillsboro No. 1 of Island Development Co., Socony-Vacuum subsidiary (The Financial Post, July 21.)

If oil lies in the area it's "beyond reach." Heaviest available equipment was used and the drill dug second deepest in the world, coming next to a 16,665-ft. Texas operation. Drilling on Hillsboro No. 1 was to have stopped Aug. 31 but officials from Standard of New Jersey decided to continue through the salt bed then being approached after sticky going through gypsum. The extra drilling failed and plans are being finalized to ship the equipment to a Venezuela operation.

B.C. Pulp & Pa. Earnings Rise Above '44 Level

Anticipate Increase in Output in Near Future as Conditions Improve

From Our Own Correspondent

VANCOUVER — Operations of British Columbia Pulp & Paper Co. for 1945 to date are slightly better than for the similar period of 1944, The Financial Post is informed. As labor and supplies become available to a greater extent, production will be increased it is expected, as demand for the company's products is still considerably in excess of the present ability to produce.

Earnings for 1945 taxes are not expected to be below those of 1944, The Post understands. For 1944, earnings after taxes were equal to $63.42 a preferred share and to $3.14 a common share. Results after taxes for 1945 will be dependent on the Dominion Government's policy in corporation taxes which is expected to be announced in the budget speech.

End U. S. Allocation

The allocation of the use of pulp by the War Production Board in the United States will cease Sept. 30, 1945 with the result that the company's regular customers will obtain the quantities for which they had previously contracted, The Post is told. B.C. Pulp & Paper has made very heavy shipments to England during the war years but starting in 1946 to a great extent this tonnage will be diverted to meet other demands. However, Canadian sales will still be under control.

Postwar plans of the company relate only to possible economies of operation and not to increased capacity, The Financial Post is told. Business conditions and developments will decide to what extent these plans are put into effect.

No announcement has been made regarding the refunding of the outstanding securities. Outstanding at Dec. 31, 1944 were $2,797,000 of 6% first mortgage bonds due 1950 and $1,712,900 of 7% general mortgage bonds due 1950. Speculation has been prevalent in financial circles as to the possibility of these bonds being refunded and of some action being taken regarding the outstanding 5,562 shares of $100 par value 7% preferred stock on which arrears will amount to $98.00 at Nov. 1, 1945.

However, it is pointed out that in addition to the regular interest due Nov. 1, 1945 on the first mortgage bonds, the company is obligated to pay on Nov. 1, 1945, the accrued interest, originally due Nov. 1, 1942 to May 1, 1945 inclusive, on the general mortgage bonds. This is in accordance with the agreement of 1942 and means the payment of between $460,000 and $500,000.

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INVESTMENTS

Two Dead Ones

Will you please tell me what has happened to Thompson Cadillac Mining Corp. and Maple Leaf Mines, and whether or not their shares have any value?

Thompson Cadillac Mining Corp. was placed in bankruptcy a considerable number of years ago and assets were not sufficient to meet the claims of creditors. Former Thompson Cadillac shareholders have no equity in Alger Gold Mines, which is now operating the property.

Maple Leaf Mines & Securities (1936) was liquidated in 1941. Shareholders received $1.86 for each 100 shares held. The company's charter has been surrendered.

Frobisher Exploration

Please provide me a list of the chief holdings of Frobisher Exploration Co., a résumé of its exploration activities and an up-to-date statement of financial position.

Frobisher Exploration Co., a subsidiary of Ventures Ltd., is at present carrying on most of the exploration activity for the latter company and is engaged in a search for new mines across the Dominion.

The most substantial of its present interests appears to be ownership of over a million shares of Giant Yellowknife Gold Mines. Other reported holdings include 550,005 of Obaska Lake Mines, 1,020,839 shares of New Calumet Mines, 724,111 shares or a 40% interest in Michipicoten Iron Mines, 400,000 shares of Courville Mines, 250,000 shares of Dupresnoy Mines, 602,500 shares of Horne Fault Mines, 245,001 shares of Rouyn Merger Gold Mines, 325,000 shares of St. Eugene Mining Corp. and share interests in many other projects. Besides shareholdings, the company holds options on additional shares in most of these enterprises.

Frobisher has acquired by staking and option large acreage holdings in the Yellowknife area which are now in course of exploration. Diamond drilling has also been reported on groups of claims in the Lightning River area, Ontario, and acreage holdings have been reported along the western extension of the Beattie break in Quebec.

Frobisher Exploration Co. has an authorized capital of five million shares with 2,467,456 shares outstanding. Balance sheet as of Oct. 31, 1944, showed $62,766 working capital exclusive of investments, but 112,367 treasury shares were sold subsequently and large investvestments were also made so that we are unable to provide an up-to-date current financial statement.

Abitibi 6% Preferred

What is the position of Abitibi 6% preferred stock under the proposed reorganization plan?

All arrears of accumulated dividends on the presently outstanding 6% preferred shares are to be cancelled under the proposed reorganization plan for Abitibi Power & Paper Co.

Each present share is to be divided into four preferred shares with a par value of $20 each and two common shares without par value. The divided preferred shares will carry a dividend of $1.50 per share and be redeemable at the option of the company at $25 per share.

The dividend on this new preferred stock is cumulative from and after the next quarterly dividend date after the date upon which the principal amount of the first mortgage 5% bonds due 1965 outstanding after the plan is approved, shall have been reduced to or below $35 millions or Jan. 1, 1947, whichever is the earlier.

Capitalization upon the plan becoming effective will consist of $53,093,700 of 5% first mortgage bonds due June 1, 1965, 14 shares of $100 par value 5% preferred stock, $50,000 shares of $20 par, $2.50 prior preferred stock, 1,395,272 shares of $20 par value, $1.50 preferred shares, and 1,241,694 no par value common shares.

Stock Commissions

In purchasing a stock recently in Vancouver, I was charged 25% more than is charged on the same stock purchased through either the Toronto or Montreal stock exchange. Is this legal?

Yes. Brokerage firms in the West can charge an "overriding commission" over and above the regular commission rates when the stock is only listed on the eastern exchanges or when so "thin" a market exists on the western exchanges that a broker is forced to buy or sell through eastern brokerage houses to complete his client's transaction. This extra charge is allowed for expenses involved in wires and money drafts, etc., connected with stock transactions.

Usual amount charged on these west-east transactions is 25% at present, but certain western brokerage houses which are member firms of eastern stock exchanges will put through these transactions without charging any overriding expenses, The Financial Post understands.

Standard Chemical

What is the capitalization and latest profit figures of Standard Chemical Co.?

Capitalization of Standard Chemical Co. as of June 27, 1945, upon completion of new financing was $1 million of 5% cumulative redeemable preferred shares of $100 par and 273,000 common shares of no par value.

Net profit for the year to March 31, 1945, including refundable portion of excess profits tax amounted to $147,413 as compared with $116,605 for the previous year. The refundable portion amounted to $12,900 for 1945 and $12,732 for 1944.

INCOME TAX

Profits on Stock

If I buy mining stocks for $1,000 and sell them for $20,000, am I liable for income tax on the $19,000 profit? If I use this $19,000 in drilling for oil on my own property can I offset this expenditure against other income when computing by income tax?

The profit on your mining stock would be considered capital appreciation and not taxable, provided you are not regularly in the business of buying and selling mining stocks. You will be entitled to some deductions from other income, on account of the money spent on oil drilling. But you had better take this up with your income tax inspector as your allowance will depend on certain details which can best be dealt with that way.

Servicemen's Exemptions

When a man on active service overseas returns to Canada, for how long does he receive exemption on income tax?

Except in the case of naval personnel, paratroopers and air force air crew, whose duties have to be performed afloat or in the air, exemption ceases six months after return to Canada or on discharge whichever period is the shortest. The six months limit does not apply on the classes of servicemen indicated above.

Sask. Tightens Up On Theatres, Films

From Our Own Correspondent

REGINA—Legislation for the improvement of theatre conditions in Saskatchewan has been promised by Labor Minister C. C. Williams for the 1946 session of the Legislature. It will be an amendment to the Theatres and Cinematographs Act.

Williams told the Motion Picture Exhibitors Association that the Government wanted to assure movie patrons of well-ventilated theatres, well guarded from fire hazards. Theatres were now getting more frequent inspections, he said.

The minister also hinted that there might be a tightening of censorship to improve the moral qualities of films. The Saskatchewan movie censor, an Anglican clergyman who has been stationed at Winnipeg for years, will shortly be moved to Regina, where censoring work will be done in future.

War Veteran Enterprise

Veteran's Hobby Store Clicks on Opening Day

The story of ex-Sqn. Leader Eaton K. Burden of Toronto is one of the many instances where veterans of this war have launched new and promising businesses. Details of this and other enterprises are being presented in The Financial Post for the benefit of other servicemen. This is No. 12 in the series.

Ex - Squadron - Leader Eaton "Bind" Burden was discharged from the RCAF last November. He had no job and few prospects. Two months later he was in business for himself and incidentally had fulfilled an ambition nourished during the 4½ years spent as an air force instructor—to help combat juvenile delinquency. Burden's solution to these moral and financial problems was to establish "Hobby Lobby," a shop in north Toronto which features hobbies for boys from eight to eighty.

MR. BURDEN

A glance into "Hobby Lobby" during the hours when school is out — or when downtown offices have closed for the day — indicates that Burden seems to have struck a junior gold mine. His numerous customers are avidly engaged in the inspection of de luxe kits from which among other things model airplanes, boats, jeeps or tanks can be constructed. They are also admiring the display models of famous clippers or steamers which are assembled by Burden who has been doing such work in his spare time for several years. Again, they may be examining model railways, or looking over technical books, or perhaps just consulting "Bind" in his workshop when a knotty construction problem crops up.

One result of these activities, Burden states, is that the present volume of sales nets him approximately $100 a week. Prices range from 5c. to $17.50 and he estimates that the average sale is about 75c. Next spring he expects to have acquired enough capital to open another shop.

Friends Were Doubtful

At first Burden's idea was regarded with considerable scepticism by most of his friends, and he was advised not to put his capital, which amounted to about $2,500, into what appeared to be a doubtful proposition. Instead of taking their advice he persuaded them to write down the names and addresses of everyone they could think of who had an interest in hobbies. Then he found a vacant store located in the vicinity of several schools and launched an advertising program. Most of his remaining capital was used to buy equipment which he obtained through regular wholesale outlets. He leased a store on Feb. 1, planned the layout and set up his equipment, and at 12 o'clock noon on Feb. 15 he opened his doors to the public. He says that the "place was packed with kids in ten minutes and others kept coming in day after day." A few weeks later he hired two assistants and is now looking for other veterans to help him as the business expands.

Burden's store is decorated in bright color designs with numerous paintings of aircraft surrounding an RCAF insignia flag and a standard aircraft wooden propeller which hangs on the wall. His showcases are large and roomy and stacked with stock. The workshop in the rear of the store serves as an office, and since Burden was manager of the cash office of a large department store at one time, he has found little difficulty in handling business arrangements.

Burden carries on his activities after business hours, however. In conjunction with the local YMCA he has started a program of various model projects starting with the most simple model airplane and graduating to complicated kits and designs. He is also active in organizing boy's clubs, and aside from demonstrating initiative has become friend and adviser to many youngsters of all ages in his neighborhood.

12 of 19 Named In Fish Merger

Group Handled 100 Million lb. a Year With Sales at $10 Millions

From Our Own Correspondent

HALIFAX—Twelve of the 19 companies involved in the National Sea Products merger (The Financial Post, Sept. 8), are White's Fish Co., Toronto, O'Connor's Fish Co., Leonard Fisheries Ltd., D. Hatton Co., all of Montreal; W. C. Smith & Co., Lunenburg; Leonard Bros. Ltd., Sydney and North Sydney, N.S.; Lockeport Co., Lockeport, N.S.; Maritime Fish Corp., Digby, N.S. and O'Leary & Lee Ltd., Maritime National Fish Ltd., National Fish Co. and Fasterfat Ltd., all of Halifax.

With transfer of operations completed Monday, National Sea Products will be the largest producer in the Maritime Provinces of fresh, frozen, smoked and pickled fish and fish fillets, white fish meal, medicinal and poultry cod-liver oil and glue.

Primary production will come from four steam trawlers, two new Diesel-driven trawlers and shares in 15 modern powered fishing vessels as well as sales from independent boats.

Operating assets which National Sea Products acquired have been handling about 100 million pounds of fish a year for the past eight years, while annual sales during the same period have aggregated about $10 millions.

See Sask.-U. S. Fish Sales Gain

Lifting of U. S. Ceiling on Canadian Lake Fish Expected to Boost Trade

From Our Own Correspondent

REGINA—Saskatchewan hopes to benefit by the lifting of price controls in the United States on Canadian lake fish.

"Provided our fish are of good quality and meet U. S. requirements we should be able to step up our exports this winter," O. Bright, Saskatchewan fisheries supervisor, said.

According to E. M. Concannon, president of the Chicago Wholesale Fish Dealers Association, Canadian lake fish have been selling in United States at "high black market prices," but removal of controls will permit the sale and distribution through normal channels.

Saskatchewan whitefish in the past year enjoyed a good U. S. market and commanded fancy prices for quality. In the past year or two, however, tapeworm infestation in prairie fish has reduced quality and cut down exports.

(Two fish-filleting plants, being erected at about $50,000 by the CCF Government, are expected to be in operation by Dec. 1. Products of these plants will, the Government hopes, find ready export sale.

Co-ops Handle Sask. Woollens?

CCF Govt. May Deal With Private Jobbers But Won't Sell Direct

From Our Own Correspondent

REGINA—Strong likelihood is seen that the products of the CCF Government woollen mill in Moose Jaw will be marketed through Saskatchewan co-operatives.

Production is expected to begin about Oct. 1, woollen blankets first, mackinaw cloth and coating materials later.

Now considering the important marketing question, the government has three choices: (1) retailing the goods itself; (2) marketing through a private wholesaler; (3) marketing through a co-operative organization. Marketing study is by the natural resources department, which administers the woollen mill.

It is known the CCF is against operating retail outlets itself. The government is close to the co-operatives and it is believed that with a large co-operative wholesale organization such as the Saskatchewan Federated Co-operatives Ltd., doing business in the province, this avenue will be used.

However, it is possible that production will be distributed through a private wholesaler. This method is being used to dispose of government shoe production in Regina.

EMERGENCY REGULATIONS

Brushes: WPTB Order No. A-1719, effective Sept. 1, revokes Order No. A-1623 and provides regulations respecting the maximum prices of paint and varnish brushes. Admin. of Fabricated Metals and Sundry Items, R. A. H. Taylor.

Leather and Footwear: WPTB Order No. A-1732, effective Sept. 1, amends Order No. A-1681 and provides regulations respecting the maximum prices for leather. Admin. of Hides and Leather, R. A. Stewart.

WPTB Order No. A-1726, effective Sept. 5, revokes Order No. A-1332 which restricted the patterns and packaging of footwear. Admin. of Footwear, G. G. Hodges.

Order No. 557, effective Sept. 1, further amends Order No. 293 which provides regulations respecting leather purchases by footwear manufacturers and selling prices of leather. Chairman, D. Gordon.

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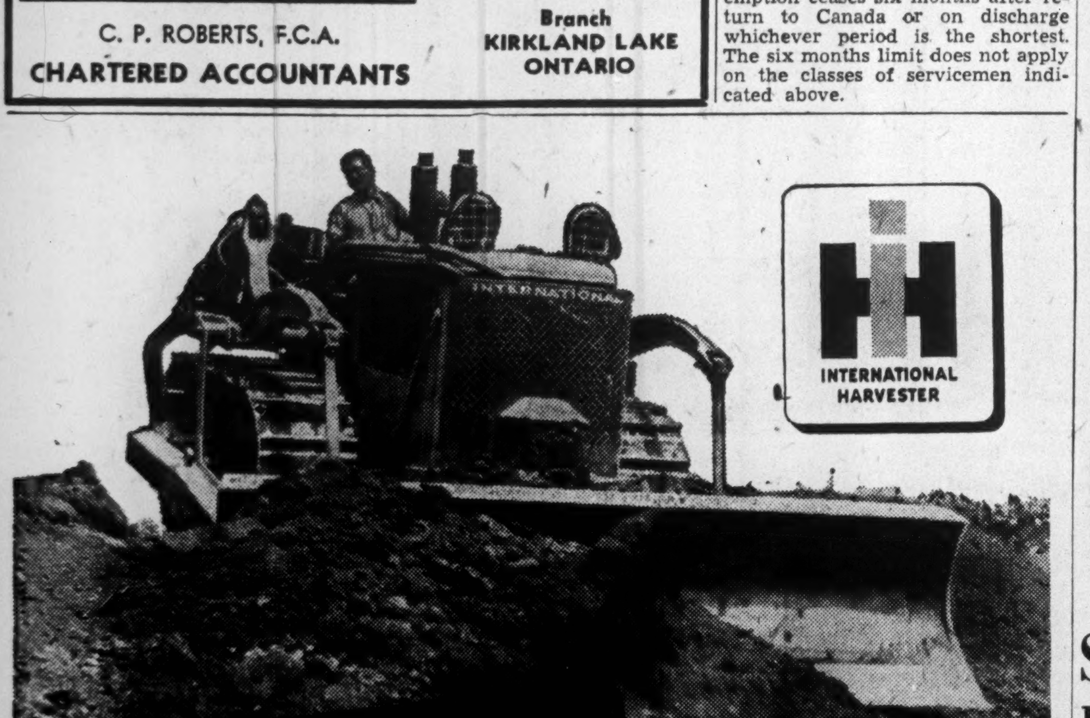

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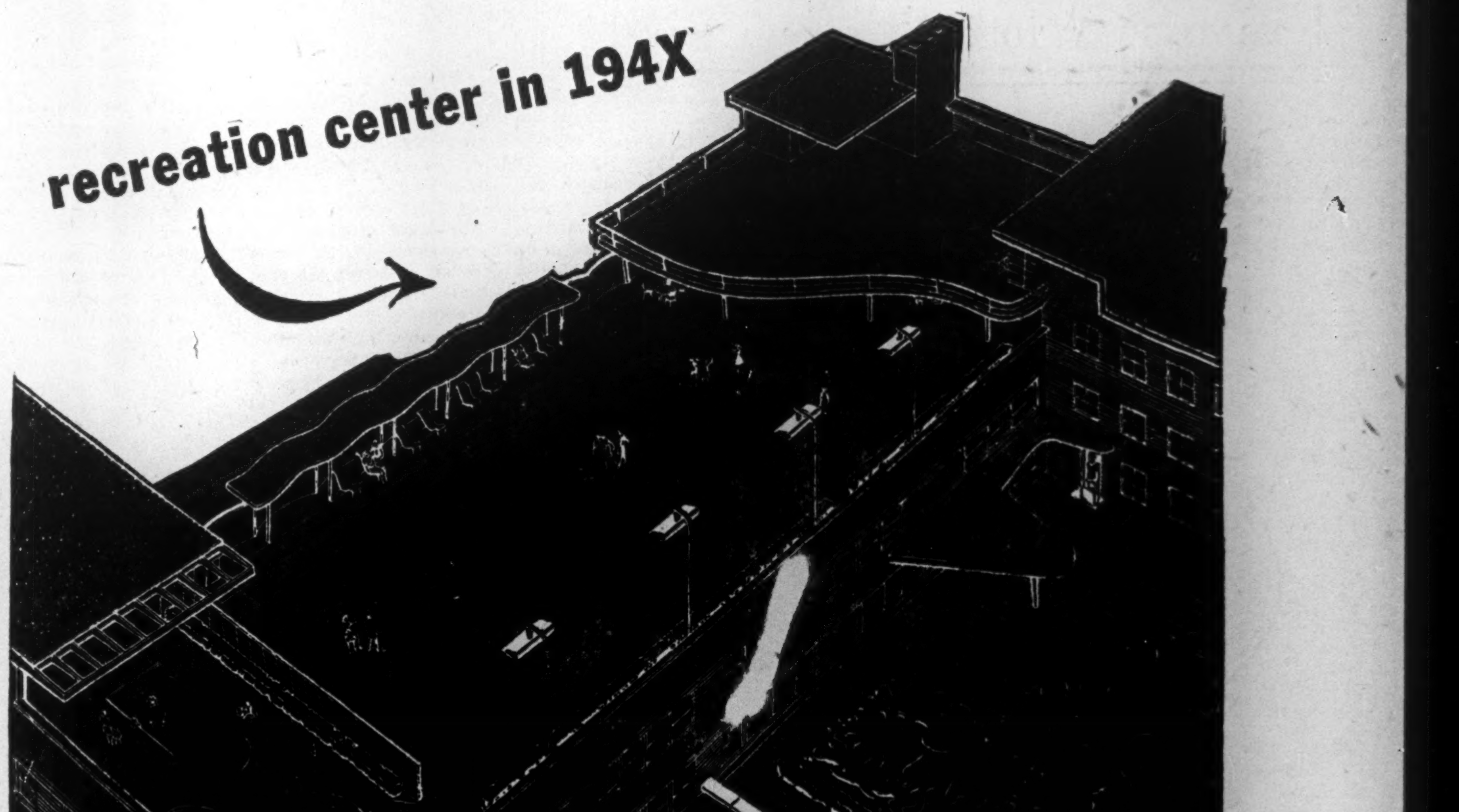

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Uncover Scars of British-set Fires As Anti-loan Faction Scores Britain

Special Correspondence

WASHINGTON—As the Anglo-American conversations opened here on arrangements to replace lend-lease in the British balance of payments, an incident symbolic of what lies beneath some American opinion occurred in the repainting of the White House. Workmen chipping off old paint uncovered brown scars left by the fires set by British troops in the war of 1812. The White House is really a brownstone mansion and, as every American schoolboy knows, the British burned it in 1814. It was subsequently painted white when the marks could not be removed from the stone.

With the problem of interim assistance to Britain before the public, the paint has peeled off the British-baiting instinct of some U.S. politicians and newspapers. Representative Harold Knutson (R. Minn.) said the British were asking the American people to "finance the socialization of the United Kingdom." He added: "Just what kind of saps do they think we are?" Representative Curtis (R. Nebr.) said England was attempting to borrow $6 billions "so that the English Government can buy the Bank of England, their mines and their railroads."

President Truman disposed of these suggestions promptly at a press conference in the White House when he said such an argument (as Knutson and Curtis had made) led to "an utterly silly conclusion."

Still the problem of the Truman administration, which has nailed its colors to the thesis of full employment involving a substantial number of jobs for Americans in export and import business, will in part be political. How can a loan of $4 billions on easy terms, or its equivalent if some other acceptable device can be invented, be sold to the American voters as a measure of American self-interest? This problem has not been answered. In the case of the New York Times, the position is taken frankly that assistance to Britain must be regarded as a moral responsibility.

* * *

Keynes Accepts Broader Basis for Discussions

The Keynes negotiations on arrangements to replace lend-lease have been broadened to cover all future commercial relations. Adopting an American suggestion, the British mission led by Lord Keynes has agreed to include in current conversations not only immediate financial help to Great Britain, but also policy on cartels, reduction of trade barriers including imperial peference, and the disposal of surplus property. Also involved, of course, is the settlement of lend-lease accounts.

No easy solutions were anticipated, and optimism was restrained.

With four committees assigned to these topics, the conversations will likely last several weeks. Both parties have indicated they wish to publish information and data, as far as possible. There will be no "secret diplomacy." At a press conference, Lord Keynes mad : clear the British desire to achieve the restoration of a multilateral world trading system, but he spelled out the difficulties which confront Great Britain.

The alternatives in which the British and the Americans possess a choice, he suggested, were:

1. that American aid for Britain might not be offered nor accepted, in which case, Britain would carry on as best she could with policies of economic self-defense, and
2. an arrangement to overcome the temporary shortage of dollars in the sterling area, so that liberal commercial relations could be resumed quickly with the likely attainment of full employment and good wages everywhere.

* * *

Don't Expect Repayment Similar to Canada Plan

Under present circumstances, it is more than likely that President Truman will ask Congress to approve a specified sum in the neighborhood of $3 to $6 billions. Lord Keynes confirmed, at his press conference, that this scale of aid was desired. While official, comment has been reticent, a precise figure was being mentioned even as the conversations opened. It was suggested that, to replace lend-lease, the United States should furnish an interest-free loan to Britain for $4 billions, repayable in 40 annual installments of $100 millions each, starting in 1951. Nothing comparable to the principle of the recent Canadian proposal to Britain, that repayments be scaled to the future British balance of payments, has been mentioned in Washington.

The U.S. proposal was contingent upon a full examination of the scale of assistance which Britain might be able to obtain from the dominions and colonies and, it was suggested, Britain should be able to get $1 billion from those sources. From inside the Commonwealth, aid to remedy Britain's shortage of dollars could come on this scale only from Canada. But the American proposal also included action to scale down the heavy sterling debt held by countries inside the sterling area, notably India and South Africa. These countries have not provided lend-lease or mutual aid, but their resources have been almost entirely advanced to Britain during the war. Lord Keynes made this latter point clear when he indicated that part of the problem of resuming multilaterial trade would be found in the problem of releasing the resources of the sterling area held in London.

An application of Lord Keynes's point could be found in the case of India, where the failure of American exporters to obtain business recently has occasioned comment in Congress and in the U.S. press. The Indian debt in London, it could be seen, represents resources which could not be released under present circumstances for trade with United States. Since the war debt held in London is estimated to be $16 billions, or near it, the scale of the problem could be recognized.

* * *

F.E.A. Lifts Export Controls After Heated Controversy

The foreign economic administration has abandoned its export controls in order to allow exporters to resume normal business as quickly as possible. Exceptions were made in eight countries: Spain, Argentina, Korea, Italy, Austria, Bulgaria, Hungary, Romania.

Sidney Scheuer, director of the bureau of supplies in the foreign economic administration, said that domestic price controls would be relied on to restrain any inflationary situation likely to arise from the urgent world demand for American goods. In order that countries needing goods most should get them, U.S. export industries will be expected, without direction from the government to give priority to traditional customers. Similarly, U.S. industry would be expected to resume its practice of allotting part of its output for exports, though domestic demand might more than absorb all production for a time.

Decision to lift export controls came after heated controversy behind the scenes, it was understood, as some opinion among business and government leaders held that controls were needed for the period of transition.

* * *

Wonder Whether Canada Can Keep Meat Rationing

Resumption of meat rationing in Canada, at a time when it was likely to end in the United States, was widely noted but with little comment. U.S. meat rationing will likely end on Oct. 1, along with shoe rationing and, in due course, control of sugar, fats and rubber tires. While Washington price control circles exhibit some doubt whether Canada can maintain rationing successfully with the war ended, they are certain that it cannot be done in United States. An official statement from the department of agriculture and the office of price administration said that meat rationing would end "as soon as supplies are sufficiently adequate and distribution is sufficiently equitable."

* * *

The rate of release of manpower for military service in U.S. forces is being speeded up, and all previous plans for orderly discharges are likely to collapse. This forecast, heard in Washington, is linked with pressure from Congress whose members have been swamped with demands to get men out of the army.

The top strength of the U.S. Army was 8.3 million and of the Navy, 3 million. By July, 1946, the Army now expects to be cut below 2.5 million men, including occupation forces of 400,000 in Europe and an apparently uncertain number in Japan. Since V-J Day, selective service has been cut down to an intake of 50,000 men a month, of whom 37,000 go to the Army. Even this will be reduced, if new recruiting incentives succeed in securing ample enlistments to keep up the strength of occupation forces. By September, the rate of releasing men from armed services reached 10,000 a day, and the objective is 22,000 a day. The U.S.A. is demobilizing with a rush.

* * *

Air Decontrol, 4½c Fare Liven Battle of Carriers

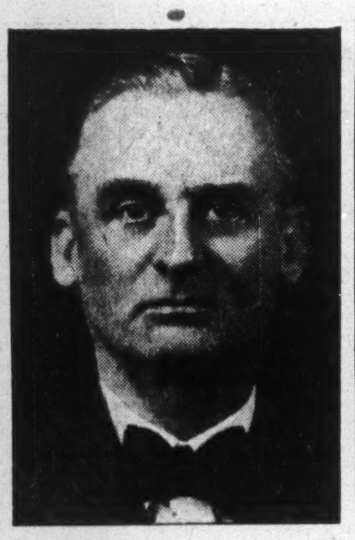
Virtual decontrol of airline passenger priorities has been the signal for launching a competitive war among the airlines and between them and other carriers. Milage rates, lowest in airline history, are now 4½ cents a mile. Railroad coach rates average 2.2 cents, with first-class tickets at 3.3 cents plus Pullman or parlor. Airline passenger service in the eastern United States is therefore now comparable in cost with the fare for first class with Pullman and meals. From Washington to New York, fares are $10.50 by air, $10.31 by 1st class rail, $4.59 by coach; from Washington to Detroit, $18.50 by air, $24.48 by 1st class rail and $15.09 by coach; Washington to Denver, $68.50 by air, $73.37 by 1st class rail and $39.67 by coach.

Postmaster General Robert Hannegan observed the 25th anniversary of the first transcontinental air mail service in the United States by announcing the post office was prepared to ask Congress to reduce the domestic airmail rate from 8 to 5 cents an ounce.

* * *

Belated disclosure that the U.S. Navy lost 30 ships sunk and 223 damaged, including 10 battleships and 13 aircraft carriers in the battle of Okinawa, has revealed an American naval engagement comparable in losses to Pearl Harbor. Most of the ships were sunk or damaged by Japanese suicide planes. Japanese plans for defence against an American invasion of the home islands were based on converting the whole Jap air force into a suicide formation. The mistake the Japs made at Okinawa with their kamikaze planes was in failure to use them in waves. They intended to correct this mistake if the allies attempted a landing in Japan proper.

This hitherto unrevealed naval aspect of the Okinawa campaign, coupled with doubt regarding the effect on sea power of new weapons like the atomic bomb and robot projectiles, will likely produce an historic debate on naval policy in the U.S. Congress. The Navy has already asked for a peacetime force of 1,079 ships, representing a decrease of only one quarter from the present size. The admirals could get along, they said, with three fewer aircraft carriers and six fewer battleships than they had when the war ended. But the American Navy they envisage would be larger than all the rest of the navies of the world together. Congress will likely cut this down.



R. H. SPERLING

elected vice-president of Canadian Celanese Ltd. He is manager of the Drummondville, Que., plant:

Silverwood Ltd. To Redeem Pref.

At a shareholder's meeting of Silverwood Dairies Ltd., approval was given to a redemption plan for the outstanding preferred stock. Under the plan, shareholders will be offered rights to exchange their preference shares for common shares on the basis of one common for one preference. The preferred stock, of which 120,000 shares are outstanding, is selling around $12 a share and the common $12½. After a payment on common arrears on Oct. 1, 1945, the total arrears on common stock will amount to $1.75 a share.

Operating earnings for 1945 to date have shown an improvement over the corresponding period of 1944, it was disclosed at the annual meeting. The required replacement of certain equipment and plant rehabilitation, accompanied by an improvement in manpower conditions is expected to result in rapidly expanding production.

Silverwood Dairies directorate has been increased from 11 to 14 with election of the following, all officials of Silverwood Western Dairies Ltd.: **J. A. Caulder**, president and managing director, **R. A. Daly**, vice-president and treasurer and **H. G. Stapells, K.C.**, vice-president.

English Subsidiary Sold by Kelvinator

Kelvinator Ltd. of London, Eng., subsidiary of Kelvinator of Canada, has been sold to Nash Kelvinator of U. S. A. for $615,000 following a special general shareholders' meeting of the Canadian company at which the recent offer to purchase made by the American company was approved.

Before the war, the English subsidiary acted as an assembly and selling organization. It had been explained to shareholders of the Canadian company that under existing regulations it would be necessary to make the English plant a complete manufacturing unit. This would entail substantial expenditures at a time when such a program is being planned for the Canadian company itself.

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SHOPS AND AGENCIES IN PRINCIPAL CANADIAN CITIES

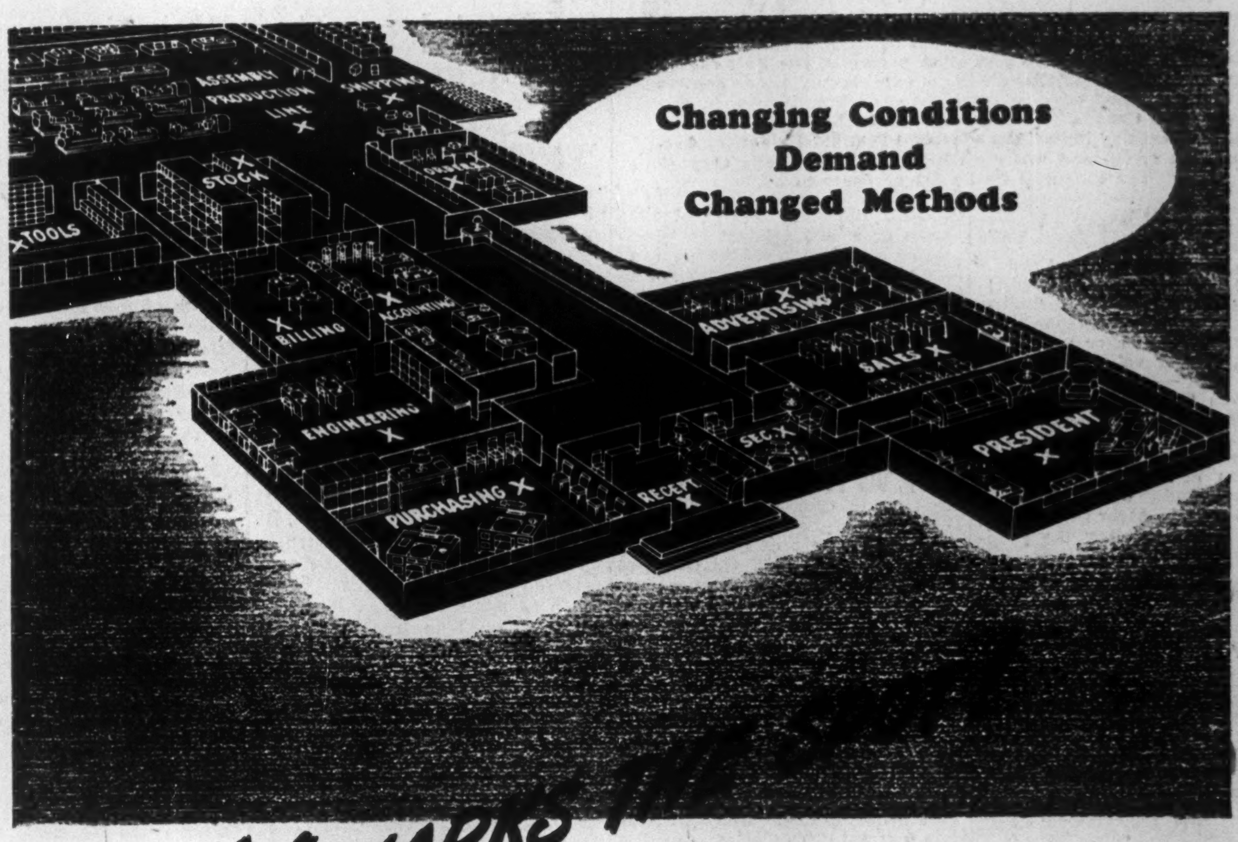
R. L. CRAIN LIMITED ANNOUNCE APPOINTMENTS

W. CMDR. J. FRASER COATE

C. H. EVERETT

H. F. HIGGINS

The appointments of H. F. Higgins, Regional Manager for Montreal, C. H. Everett, Regional Manager for Ottawa, and Wing Commander J. Fraser Coate, Regional Manager for Toronto, have been announced by R. L. Crain Limited. These appointments coincide with the launching of an expansion program designed to serve Canadian business and industry during the post war reconstruction period.



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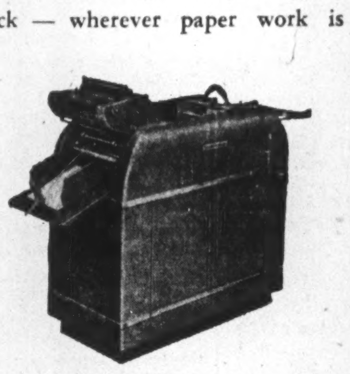

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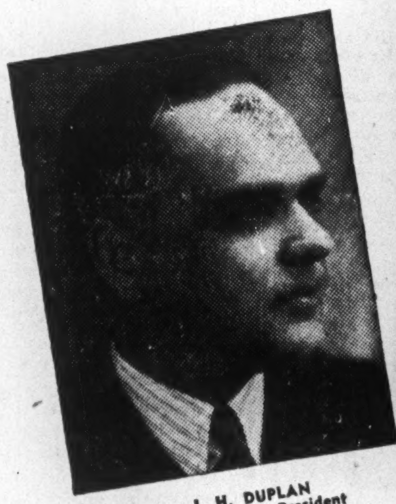
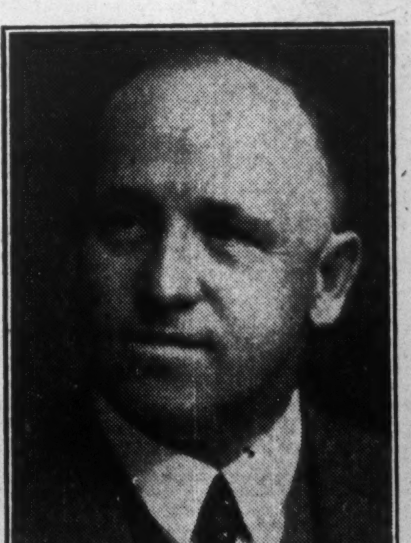


J. H. DUPLAN
Executive Vice-President
and
Director and Vice-President
Silverwood Western Dairies Limited



A. E. SILVERWOOD
President and Chairman of the Board
and
Chairman of the Board
Silverwood Western Dairies Limited

J. H. GILLIES
Comptroller and Sec.-Treas.
and
Director and Secretary
Silverwood Western Dairies Limited

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London Branch

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Vice-President

DR. L. E. POLLOCK
Vice-Pres. & Gen. Mgr. Toronto Branch
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Director, Silverwood Western Dairies Limited

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Asst. to Exec. Vice-Pres.

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Director

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Director

F. H. SILCOX
Director

W. H. CARRUTHERS
Director

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Director
and
Vice-Pres. and Treas.
Silverwood Western Dairies Limited

J. A. CAULDER
Director
and
Pres. & Managing Director
Silverwood Western Dairies Limited

H. G. STAPELLS, K.C.
Director
and
Vice-President
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The Financial Post

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Enterprise at Work — II

How to Create a Thousand New Jobs— Here Is the Recipe of Percy Hermant

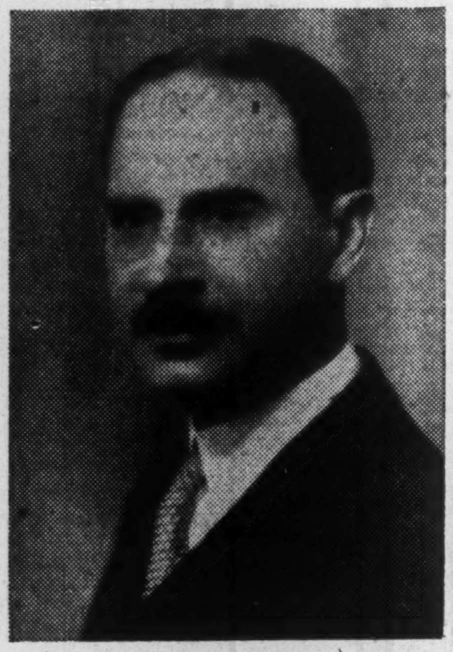
Forty-five years ago a young chap by the name of Hermant opened a shop in Saint John, N.B., where he ground lenses to individual prescriptions. He had no capital but he did have experience, ambition and an idea for expansion.

Today Percy Hermant heads a Dominion-wide business providing jobs and security for well over a thousand people. His plants were a vital part of Canada's industrial front both in the recent world war and the one before.

Growth of Hermant's Imperial Optical Co. from a one-man shop is attributed by its still active founder to "continuity of purpose" plus the opportunity Canada offers any enterprising individual who is willing to work. Hermant believed there was an opportunity in the unfilled field of optical glass manufacturing and he went ahead.

Below The Financial Post presents the second in its series of articles on the individual enterprise system at work.

From a tiny workshop in Saint John, N.B., where he ground spectacle lenses virtually by hand, to a business embracing three factories in Toronto and 25 branches across Canada, Percy Hermant of Toronto has developed his Imperial Optical Co. until it is now one of the biggest organizations of its kind in Canada.



MR. HERMANT

His one-man workshop has given way to whole floors of mass-production grinding machinery, some of which cannot be matched anywhere in the world, and most of if built to his own design. The Toronto factories alone employ more than 800 men and women, and branch staffs boost this total to well over the 1,000 mark. Many of his large staff have been with him a quarter of a century or more.

And yet, despite the fact that the development has taken all of 45 years to complete, Percy Hermant is still active head of his own business, on the job as indefatigably as in its earliest days. His son, Sydney, has assumed many of its responsibilities, but Hermant, Sr., is indisputably the directing head.

At 63, Percy Hermant knows his business as intimately as he knew it in its earliest days. He visits every branch once a year, making one eastern and one western trip annually. But even when he is "on the road" the intent, dynamic lens manufacturer maintains his driving force at head office—by air mail. He travels with a sheaf of blank paper slips in his pockets and whenever an idea or a question presents itself to him he scribbles it on one of the slips and puts it in an envelope. At the end of the day the envelope, jammed with queries and suggestions, is sealed and despatched to the Toronto office, where its contents receive priority attention.

Hermant came to Canada from Europe as a boy of 16, continued his education in this country, and capped it with an optical course in Boston, Mass. On his graduation in 1900 he moved to Saint John, N.B., and set up in business, grinding optical lenses to individual prescriptions.

There was nothing startlingly original in his choice of an occupation, for every city and most towns have their optometrists, who grind lenses to meet the prescriptions of optical specialists and Hermant was but one of many. But from the beginning he had plans made to expand his little business into something more than that.

It is to this "continuity of purpose" that he attributes the subsequent growth of Imperial Optical Co. At that time Canada produced virtually nothing in the form of optical glass, being content to import her requirements either from Europen countries like Germany or from the United States. Hermant believed that if Canadians could grind lenses to individual prescriptions successfully, as they were doing, Canadians could also produce the lenses themselves on a mass production basis. That was his first objective.

To accomplish it, however, would take capital, he found—more than a young lens grinder could hope to raise in a long time; more than his one small business was likely to make possible. So Hermant decided he would first have to expand his prescription grinding business.

After four years of careful operating in Saint John, he opened a small branch of the business in Hamilton, and followed that with similar branches in London, Ont., and Toronto. With four shops in operation and a consequently higher volume of business, he planned to make his next step a venture into the manufacturing field.

"I made the Toronto branch my main one," he explains, "because it was in the heart of the manufacturing world and I thought I would be in a better position to develop from there. For one thing, I could make more contacts, both with the manufacturing end of the business and with the professional men who use optical lenses."

By developing his business slowly, borrowing money only when he was certain that its use would increase his returns sufficiently to ensure prompt repayment, Hermant established a sound credit position with his bank. Consequently he was later able to arrange loans for business expansion on a scale that would not have been possible if he had not first proven his reliability as a credit risk.

"The only recipe for success I know," he says, "is hard work, continuity of purpose and a good business record. Live up to your promises, take advantage of cash discounts and use your credit wisely. And, of course, know your business thoroughly."

When it comes to buying factories, Hermant believes in cash and carry.

He followed this last axiom literally from the start of his business career, travelling to Europe whenever he could afford it to keep in touch with the most modern developments in the optical glass industry and maintaining intimate contact with the professional men he was serving. Hermant read every medical report relating to diseases of the eye and followed the development of new treatments through the professional journals and by attending conventions. As a result he was ready and able to co-operate with eye specialists in devising new lenses to meet unusual eye conditions, in addition to offering the normal mechanical assistance of his industry. Both these things, he believes, paid dividends.

"There are really no mysteries to the progress we have made in our business," Hermant will tell you. "The fundamental fact is that we have had a generous amount of co-operation from the ophthalmic profession, wise, hard-working leadership from our executive staff and unselfish loyalty from all our employees. We started from scratch and never had a capital fund from which to draw, but we have used our moral integrity as a basis of credit and have always enjoyed the privilege of using bank funds."

It was Hermant's sound credit philosophy that made it possible for him to enter the manufacturing end of the business. In 1914 imports from Europe were cut off by war. There was an unusual opportunity to develop the domestic market. A small factory in Rochester, N.Y., was offered for sale in 1915 and Hermant bought it with bank credit. He took out all the lens-grinding machinery, loaded it on trucks and moved it to Toronto. Within a few weeks he had his new plant operating, the first factory in Canada to produce optical lenses on anything more than a hand-made scale.

The grinding machines were big news at the time, for they made it possible to produce several lenses in a single operation, although each machine required careful individual attention to see that the lenses were ground to exact dimensions. Today the Hermant factory has machines capable of grinding scores of lenses in one operation, with the whole process automatic. Grinding automatically stops when the lenses have been ground down to a pre-determined size—measured in ten thousandths of an inch—and one man can tend a whole line of machines.

From spectacle lenses, Hermant went on to produce safety goggles for factory workers, enlarging his plant for the purpose. When the war ended, he went after export markets and competed successfully with both German and United States products in Australia, New Zealand and South America. The manufacture of safety goggles led to development of other devices using safety glass and this phase of the business grow to such an extent that a subsidiary, Safety Supply Manufacturing Co., was formed to look after new developments in the industrial field.

To manage the new enterprise, Hermant chose Cyril Fuller, who had joined his organization as a messenger boy in the Edmonton branch in 1913 and had later gone on the road as a salesman for the firm. Members of the organization say that Fuller patterned himself so closely after Percy Hermant that the two men act, talk and even think alike today.

In the 1930's, with 35 branches in operation, and both his lens factory and safety supply organization working at top speed, Hermant went a step further in the production of optical goods by opening his own machine shop to design and build machines for processing lenses. To head this branch of the business he chose a brilliant machinist who had been with the Imperial Optical Co. for almost 30 years. Albert Butler started to work for Hermant shortly after coming to Canada from England. His associates claim he is a mechanical genius and even a casual glance at some of the equipment he has designed would seem to bear out the claim.

"All I have to do is tell Butler what I need a machine for, and the sort of things it must do," says Hermant, "and he produces it. We have machines today performing operations that some of the biggest optical companies in the United States believe are impossible. We all get ideas for new machines, but if we didn't have Butler to make them work, we'd be lost."

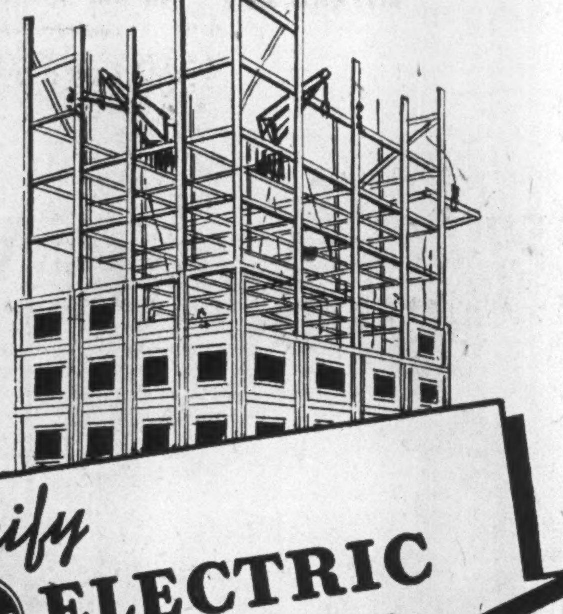
Some of his machines, during the war used in manufacturing bomb sights and other optical instruments, called for precision work of a nature never before attempted in Canada.

A plastics division was added in 1938 and developed during five years of wartime production. It, too, has become a subsidiary of the parent company, operating under the name of Percy Hermant, Ltd.

The fact that work in all three branches of the business—optical products, safety supplies and plastics—is not seasonal in character and offers good remuneration for skilled technical personnel, plus a sound labor relations policy, has kept employee turnover down to a remarkably low figure. Prior to the war, Hermant estimates, personnel turnover was less than 2% a year. War industries took some of his regular staff, but even at that the company fared better than most. Workers, recalling the security offered in their jobs, the steady

(Continued on page 13)

PLANNING A NEW BUILDING?



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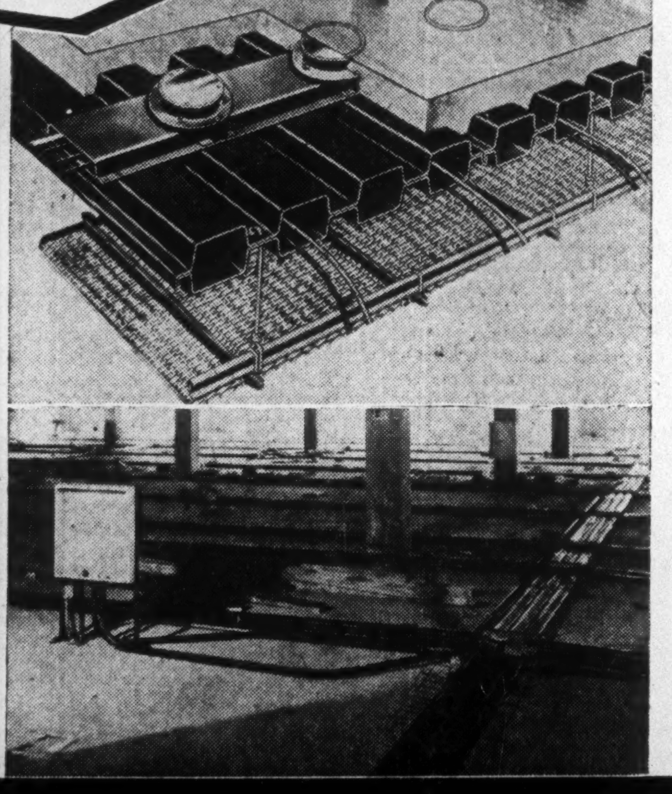

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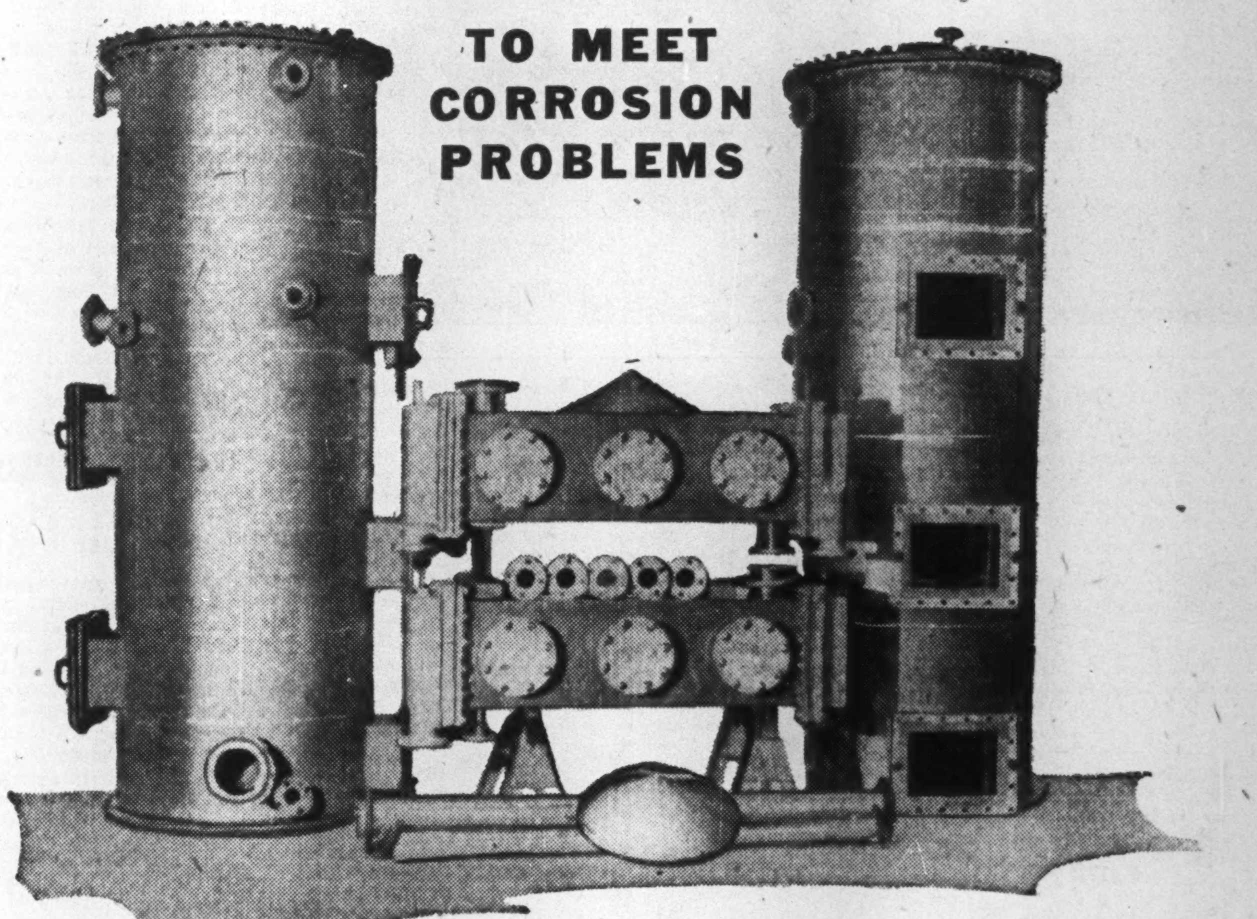

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Heavy Wheat Purchases Follow Increase in Price

Increase to $1.55 a Bushel For Export Wheat May Be Followed By Some Modification, According to Present Grain Trade View

From Our Own Correspondent

WINNIPEG—Heavy bookings of wheat for shipment to Great Britain, either direct or after milling in Canadian mills, have been made during the past few days after announcement by the Canadian Wheat Board that its official export price basis is $1.55 per bushel. Up to the time that mutual aid came to an end supplies furnished to Great Britain were taken on the basis of $1.46 per bushel.

Very large bookings were made during a few days immediately following the surrender of Japan, and this, it was assumed in the trade, was because of foreknowledge on the part of the British Cereals Import Board that a new basis for wheat transactions would be made effective as the result of the end of the war. There followed a period of inactivity, in so far as forward bookings were concerned, which might have been due to uncertainty as to how payments were now to be effected, or on the other hand, might have been due to some resistance to a higher price basis.

From the fact that transactions to the extent of millions of bushels have been recorded during recent days it would appear that difficulties in such connection have been ironed out.

Price May Be Changed

Dispatches from Ottawa have made it clear that the price basis of $1.55 is considered to be an interim one only, and that the cabinet is shortly to decide on a more permanent price policy for the remainder of the crop year. Some comment by informed correspondents at Ottawa has referred to reluctance on the part of the Canadian authorities to follow the ideas of the United States as to high prices for export wheat, and to the assumed willingness of Canadian farmers to accept a lower price basis if assured a price basis and a volume of exports over a considerable time. These might have been interpreted as meaning that a lower price basis than $1.55 was contemplated, and there have been suggestions that the level might be made $1.25 per bushel, the same as the Wheat Board initial price basis to farmers, if British agreement to a considerable volume of purchases on that basis could be obtained. However, the amount of business being done on the basis of $1.55 would suggest that purchasers are not anticipating a lower basis in the near future.

Reports from the United States indicate that the Commodity Credit Corporation of that country is accumulating large quantities of wheat in the expectation of overseas exports for the next six months at the rate of 30 million bushels per month. A very considerable export subsidy will be necessary to keep such exports on a price basis comparable with that for Canadian wheat.

North American Monopoly?

Competitive equality, however, is not absolutely necessary under present conditions. It is clear Canadian wheat cannot be shipped rapidly enough to take care of all requirements, and that countries in need of wheat will have to rely on supplies from the United States, whether or not they are satisfied with the price basis. The shipping situation, and also the scarcity of wheat in the southern hemisphere until another crop becomes available at the end of this calendar year, tend to give North America a practical monoply of the wheat export business just now.

While announcement of the new price basis is awaited with interest, there is also curiosity with respect to certain technical details. For example will the new price basis be a firm one for the remainder of the crop year, or will it advance from month to month to take care of carrying charges? Will the differentials between different grades of wheat be fixed or subject to fluctuation? And will the new price be susceptible to change, either advance or decline, to meet any changing competitive situation, or any alteration in the ocean shipping situation? From the nature of the reports from Ottawa it is assumed that the Canadian Wheat Board will maintain a monopoly of wheat handling for the current crop year, and that there is no immediate likelihood of reopening of trading on the Winnipeg wheat market.

Sask. Power Plans Enter Bldg. Phase

From Our Own Correspondent

REGINA—Reflecting the expansion plans of the Saskatchewan power commission is the proposal for the construction of a new steam generating plant and other extensions at Estevan for the Dominion Electric Power Co., recently acquired by the Saskatchewan Government. The new plant will enable the company to close down a nearby generating plant.

Construction of new power lines is southwest Saskatchewan will allow use of Estevan-generated power in districts not now linked with the Dominion's system. Contract has already been awarded for the construction of the first section of such a link.

Another contract has been let for building a power link between Assiniboia and Willow Bunch.

Thus five power-line contracts have been awarded in the past three months, forepart of the expansion of the power commission, designed to co-ordinate government power lines.

Most Edmonton Vets on Farms

From Our Own Correspondent

EDMONTON—Most veterans at present drawing "awaiting returns" benefits here are farmers, according to a report issued by the Veterans Affairs Dept. Of the 159 men getting this financial assistance, 130 are on farms, two have fur farms, and 27 have businesses.

In the past six months there has not been a single business failure among these veterans. Three of the veterans are lawyers. A wide variety of other businesses throughout the northern part of Alberta is represented, including restaurant and store owners, a sawmill owner, a masseur, three gas and oil agents, an annuity agent, a manufacturer of white uniforms, a poultry and produce merchant and a commercial fisherman.

Calf Nets $10,000 For Premier Jones

From Our Own Correspondent

CHARLOTTETOWN—Prince Edward Island's Premier J. Walter Jones has sold one of his pure bred Holstein calves for $10,000 to E. J. Meagher of Oakville, Ont.

The calf, Abegweit Milord is a two-month-old bull, son of Abegweit Milady, which this spring at four years of age established a new official world's record in milk production — over a 305-day milking period, she produced about 25,000 pounds of milk yielding 1,085 pounds of butter-fat.

It is understood that a very large sum has been offered for this fine Holstein-Friesian, but it's believed Premier Jones plans to keep her in furtherance of his desire to establish the Island as one of the world's centres for high-grade cattle.

Premier Jones would like to see a complete ban on the importation of cattle into the Island province, with a view to the further improvement of the quality.

BRIAN HEWARD

elected a director of Ontario Steel Products Co. He is of Jones, Heward & Co., members Montreal Stock Exchange and Montreal Curb Market.

Businessman Trains to Fly

From Our Own Correspondent

EDMONTON—Flying instruction for civilians has been resumed here, with T. Fox, co-owner and manager of Associated Airways, reporting several enrolments and enquiries from civilian enthusiasts.

First student enrolled was a young district farmer, who had his private license before the war and is now after his commercial ticket. An Edmonton businessman is learning to fly with the object of operating his own plane on business trips.

Mr. Fox was the first person to be granted a license to operate a charter service in Canada by the Air Transport Board after V-E Day. He's been flying for 14 years. Both he and his partner, D. Dyk were employed by the air observers' school here and the partner is at present flying in the Yukon.

One of the instructors is A. Bell, former flight lieutenant in the RCAF.

Lift Ban on Oat Shipments After First Week's Tryout

From Our Own Correspondent

WINNIPEG—After one week during which elevators in Manitoba and Saskatchewan declined to buy oats, buying was resumed on Monday of this week. That was after the Feeds Administrator of Canada had rescinded his order forbidding the shipment of any oats to Port Arthur and Fort William.

Now, such shipment is allowed, under regulations from the Canadian Wheat Board, provided that a ratio of shipments of three cars of wheat to one car of oats is maintained. At the same time the Wheat Board has established a quota for oats deliveries of five bushels per seeded acre, as against the open delivery which was previously in effect. Thus the Wheat Board assumes the responsibility for slowing up the delivery of oats, in order to permit a more rapid flow of wheat, instead of forcing the elevator companies to perform that function through their buying policy.

A list of points has been established in the districts of very poor crops in western Saskatchewan, from which shipments of oats for the immediate future may be made only on condition that a reserve stock of 3,000 bushels is maintained in each elevator. The provincial Government is expected, if the restriction remains for any long period, to arrange to pay carrying charges on such reserve stocks. Eastbound shipment of oats from Alberta is still embargoed, but a market has been available at the Pacific Coast for such limited quantities of oats as have so far been delivered in that province.

Canada Iron Foundries, Ltd., registrars have advised the Montreal Stock Exchange that there were 363,955 shares of new preferred stock outstanding as at Aug. 31, 1945.

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PAINTS - VARNISHES - ENAMELS

How to Make 1,000 Jobs

(Continued from page 11)

work and generally favorable conditions, resisted the temptations of higher pay and stayed with the firm.

An example of the strong bond between labor and management and the service record of employees is seen in the fact that every Imperial Optical Co. branch manager in Canada began with the firm as a messenger boy or in some junior capacity and worked his way to the top, with the company.

For the future, Hermant makes no predictions, but is prepared to meet postwar demand with diversified production, taking fullest advantage of the company's experience in precision manufacture to branch out into lines untouched before the war.

"The labor situation will determine our future plans," he says. "The export business offers great possibilities and we will go after it strongly if labor conditions here don't make it impossible for us to compete. To succeed in export business you must be able to produce goods at a cost reasonably close to that of your competition. We have found that we can operate as economically as any similar firm, provided wage costs don't get out of proportion."

As far as opportunities in the industry are concerned, Hermant believes he could do it all over again if he had to, although he thinks that his enterprise would develop along slightly different lines under conditions that exist today.

As head of the firm, Percy Hermant practices what he preaches. When he is in Toronto he is still the first man at the office in the morning, and more often than not he is the last to leave it at night.

"I work hard myself and always have," Hermant declares, "and I have been very fortunate in finding men who are willing to work hard, too."

Members of his staff say that this is not as accidental as Hermant makes it sound.

"He picks the men all right, but the main reason for his success is that he knows how to let them work," one young executive said. "As long as we are learning by our mistakes, he gives us an amazing amount of freedom. But he's close enough to the whole concern to be able to tell any one of us just where we went wrong and why, if we don't find out for ourselves."

Hermant's work is his major interest in life, but he has one hobby with which he will let nothing interfere. The hobby is listening to speeches. Whenever the Canadian Club, Empire Club, Kiwanis Club or Royal Canadian Institute of International Affairs meets, Percy Hermant is almost invariably in attendance, and whenever a lecturer of any promise is scheduled for Toronto, Hermant is one of the first to buy tickets—although often one of the last to take his seat before the talk begins. If he can't attend the speech personally, he lies on his office chesterfield with a radio at his ear.

"I haven't time to read as much as I should," he explains, "but when a man takes the time and trouble to prepare a speech, he usually has something to say that is worth listening to. So I listen to as many talks as I can through the year. As a result, I've been able to keep in touch with current affairs and to learn a number of useful things at the same time."

B. C. Electric to Start Fraser Power Extension

Valley Project, Improvement of Gas Plants and Transportation Systems Part of $50 Millions Expansion Program—

From Our Own Correspondent

VANCOUVER—As part of its proposed $50 millions expansion program, to be carried out during the next few years, B.C. Electric Railway Co. announced last week that it would proceed with an extension of power facilities in the Fraser River Valley. It will also spend substantially to improve its gas plants in Vancouver and Victoria.

The company has received a tender of $650,000 for a carburetted water gas plant in Vancouver, and a bid of $300,000 for a smaller but similar plant in Victoria.

After installation, present annual coal consumption of 115,000 tons can be increased. In addition to needing all the coal from Vancouver meeting its specifications, it will be necessary to import some coal from Fernie and Alberta.

Plans Transport Betterment

The company also is proceeding with plans for improvement in the street transportation system of all the cities it serves, and is carrying out preliminary measures for the enlargement of its Bridge River power plant, including the provision of transmission lines to serve temporarily in bringing power up from Washington state.

Spearheading the company's new progressive policy of expansion, under President W. G. Murrin, is brilliant young Oxford-educated A. E. Grauer who was professor of social science at the University of Toronto before returning to his home province on the coast to study law briefly and then join B.C. Electric.

One of Grauer's first tasks as executive vice-president was to see that the right men were in the right positions, develop a sound public relations program and convince British Columbians that the company was aggressively trying to provide modern and efficient service.

Whether such a campaign meets with success or failure will depend a good deal on the effectiveness of the company's present program of expansion — a program held in abeyance by wartime factors over which the company had little or no control.

Construction Up 27.5% Over 1944

Construction contracts awarded in Canada in seven months total $266.7 millions, against $209.1 millions last year, while August brought the industry $40.5 millions of new business, up 67.8% over the $24.1 millions recorded for Aug., 1944, according to MacLean Building Reports regular summary.

Residential building was heaviest contributor to the big gain over Aug., 1944 with a total of $20.2 millions for the month, an increase over 1944 of $11.3 millions, mostly in Ontario.

Industrial building awards for August totalled $6.7 millions, up $3.5 millions.

Engineering construction at $4.4 millions was up $1.6 millions from August of 1944.

But the commercial institutional category at $9.1 millions was off fractionally.

Slight easing in supply of unskilled labor and some improvement in supply of building hardware, plumbing supplies, roofing paper and materials were reported, but skilled construction workers, brick and lumber were still scarce, says MacLean Building Reports.

Montreal Stock Exchange and Montreal Curb Market report collateral borrowings by member firms in August totalled $15,824,268 against $15,454,107 in July and $11,239,000 in August, 1944.

Orenado Gold Mines, Ltd., stock (3,000,000 shares each $1 par value) has been admitted to trading on the listed section of the Montreal Curb Market.

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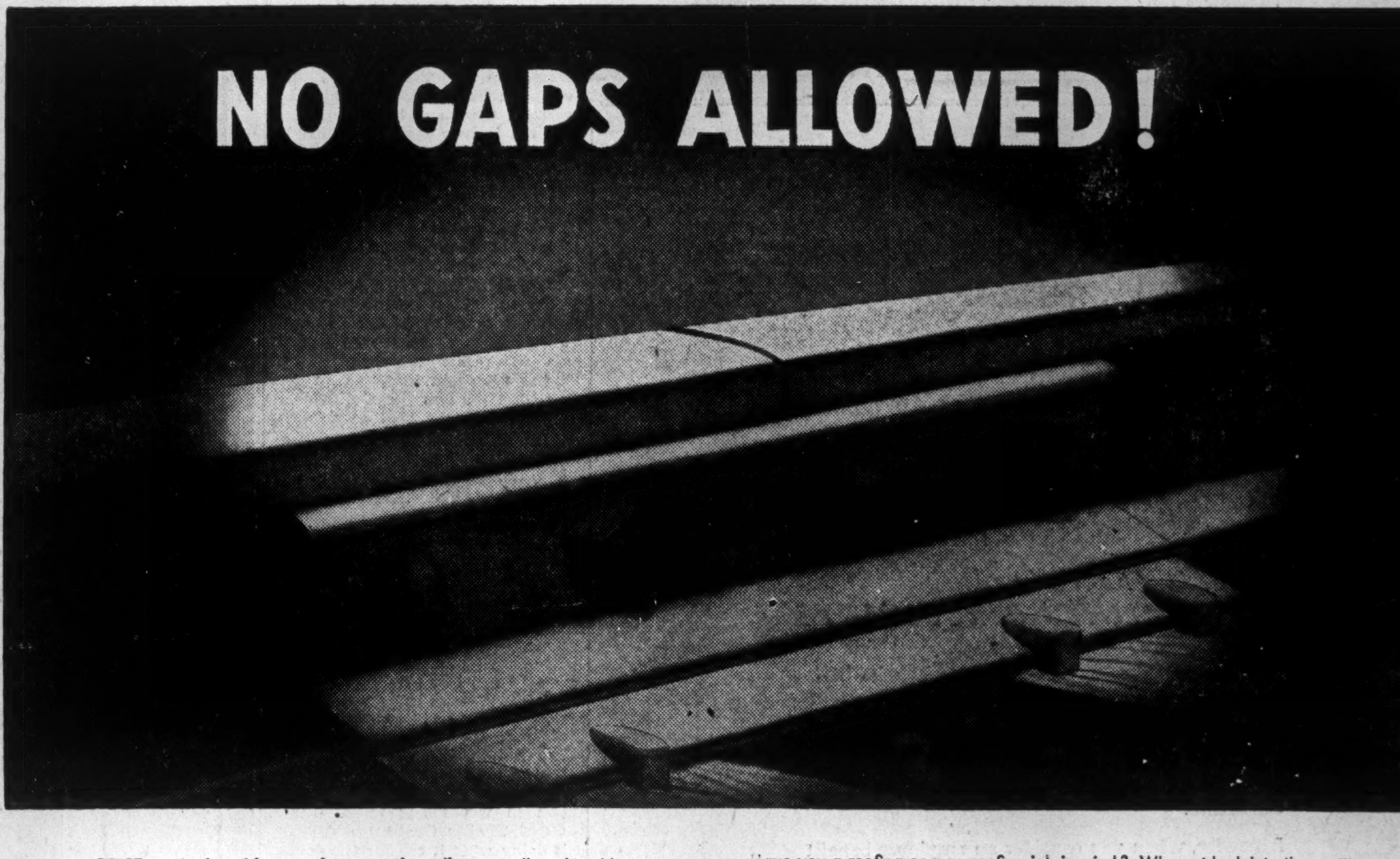

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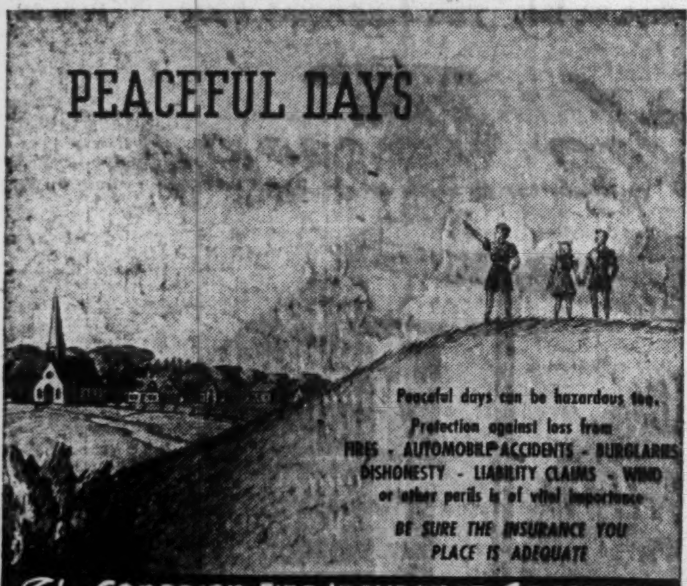


The CANADIAN FIRE INSURANCE COMPANY
The CANADIAN INDEMNITY COMPANY
HEAD OFFICE · WINNIPEG

"To Rebuild or Not" Is Test Offered By CUA For Insurance of War Plants

With many war industries shutting down, and others reducing their active plants to normal size, the insurable value of the vacant properties has become an important problem for both property-owners and fire insurance companies.

Of the plants which rose suddenly across the country to supply munitions, store surplus grain and meet other emergent and temporary requirements, some are owned by the Government and not insured, others owned privately and insured. Most were built and equipped at war-swollen cost.

Wrecking for salvage clearly is to be the fate of some. Value of others now is at least doubtful, their full utility gone with the war unless unexpected peacetime use can be found. But many of the privately owned plants and annexes, though largely written off through liberal income tax depreciation allowances, still constitute a substantial asset.

How Much Insurance?

To the owners of such "continuing" structures, many of wood or other light construction, the question of fire hazard and insurance will be of real and immediate importance. The question will be, not whether to insure but how much, especially when policies contain a co-insurance clause by which the owner undertakes to keep the insurance up to a certain percentage of the actual value.

Normally when a fire occurs, settlement is made on the basis of actual cash value at time of the loss. But in these war plants there may be considerable difficulty in calculating what is the actual cash value. The problem is particularly important because in cases where policies were written on a three-year basis shortly before the end of the war, or even now, the building may stand empty for over two years and then be burnt almost three years hence. There is no way of telling now what the value will be then, but the amount of insurance has to be determined now.

Association Offers Plan

The Canadian Underwriters Association has recently worked out a solution of the problem which has met with wide approval from companies in its jurisdiction (Ontario and Quebec). While the CUA recommends this plan to its members, its use is quite optional. In the United States where no general method of dealing with the situation seems to have been evolved, the CUA plan is understood to have evoked favorable comment.

Crux of the plan is that it leaves the question of actual cash value in abeyance until a fire occurs, when the test as to actual cash value is whether the owner rebuilds or not. If he rebuilds, he collects insurance on the normal actual cash value basis. If he does not rebuild the insurance is adjusted on the wreckage value and a rebate of any excess premiums allowed.

An example would be a building which has cost say $250,000. This has depreciated not only in physical value but also has depreciated in commercial value because it can no longer be used for its original purpose.

If it can be converted to peacetime production, it may be worth $150,000. But if not, it may be worth only the salvage value of the materials less cost of wrecking—probably a few thousand dollars net. The owner can insure for the conversion value of the property and pay the regular premium. Then if the property burns, his decision to rebuild or not is regarded as the test of real value and the insurance adjusted accordingly. If he has paid too much in premiums for the amount of insurance which it is decided he should have carried, premiums are also adjusted retroactively.

General Application

It is understood this method of dealing with war plants may in future be applied to all forms of property where the same problem of commercial depreciation arises. The effect of the new ruling is to change the general rules of the CUA affecting certain fire policies in Ontario and Quebec.

It is as follows:

"1. Where it is considered desirable to incorporate a special loss adjustment clause in any policy due to commercial or special depreciation, the following clause is recommended and the association will, on application, name a special rate subject to a stated amount co-insurance clause.

"2. The property to which the clause applies must be insured under a separate item or by a separate policy. The clause may be used in connection with buildings or equipment or other property.

Special Clause for Commercially or Specially Depreciated Property

"Applicable only to the insurance under Item ...... of this policy:

"It is part of the consideration of the rate charged for this insurance that in the event of loss the amount thereof shall be ascertained in accordance with the ordinary terms and provisions of this policy, except as follows:

"(a) Payment of any loss on said property shall be conditional on the insured giving a prior undertaking satisfactory to the insurer to expend all insurance moneys payable in respect to said loss in effecting repairs or replacement on the identical site of the property destroyed.

"(b) Failing compliance with the foregoing the liability under this insurance shall be limited to the wreckage value, that is, to the secondhand value of the materials comprising the part of the property destroyed, immediately prior to the fire, less the cost of demolition thereof.

Coinsurance

"(c) The coinsurance clause on this policy is in respect to said item only amended to read as follows:

"'It is part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the insured shall maintain insurance concurrent in form, range and wording with this policy on the property hereby insured, to the extend of at least $........, and that, failing so to do, the insured shall be a coinsurer to the extent of an amount sufficient to make the aggregate insurance equal to $...... and, in that capacity, shall bear his, her or their proportion of any loss that may occur.'

"The coinsurance clause waiver (if any) on this policy shall not apply to said item.

"(d) In the event of the amount of loss, being calculated under the provisions of paragraph (b) hereof, the company will return to the insured 50% of the premium under this policy for the unexpired term thereof in respect to the said property."

WIT Insurance Ends Sept. 30

Although the government's War Industrial Transit plan came to an end Sept. 15, automobile insurance companies have decided to continue automobile insurance policies written under this plan to Sept. 30. This has been done to give the firms and motorists affected time to make arrangements to meet the new conditions.

The War Industrial Transit plan was a scheme evolved during the war, after gasoline rationing came in, to give extra gasoline to motorists carrying war workers to plants to which the automobile was the most practicable type of transportation. The plan involved some special insurance features, as firms sponsoring transportation under the plan assumed certain responsibility for their employees carried as passengers and also any damage that might be done by the car concerned. Liability of the car owner and driver also was increased.

The insurance companies agreed to give insurance at special low rates to cover the situation. The need for the transit plan having ended, the special insurance policy issued to cover the plan accordingly will be discontinued.

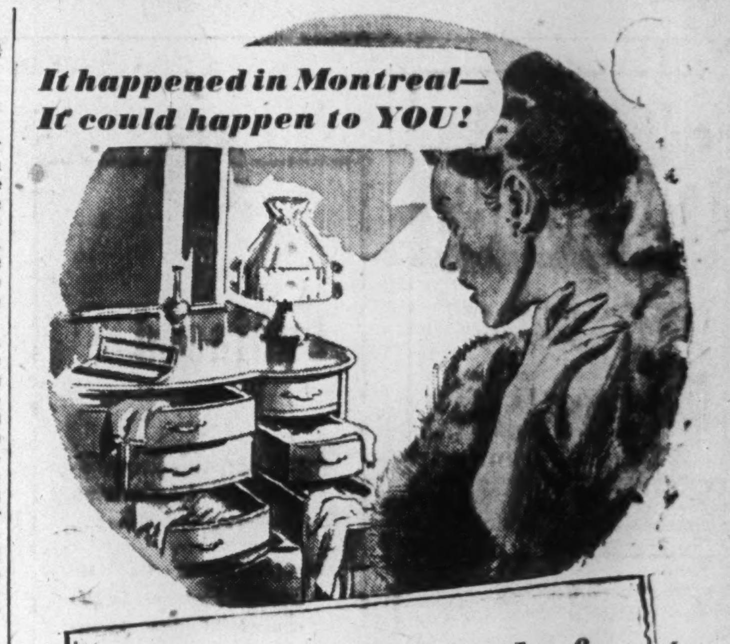
Insurance Inst. Plans Courses

With many service personnel returning to the insurance business the Insurance Institute of Toronto plans to expand its educational course in fire and casualty insurance materially, in coming months.

Present plans include a preliminary course in the fundamentals of the insurance business (non-life), to begin Sept. 30 and also a refresher course for those who have been absent on war service to begin as soon as can be arranged, having respect to the needs of the students.

Because the courses are given in lectures at the Institute during the fall and winter months, students in the past have been drawn mainly from offices in Toronto. Present plans call for the addition of a correspondence course for those outside the city.

In some quarters there is a strong feeling that activities should be extended, in co-operation with institutes in other cities, to cover the whole country.



Clubwoman Robbed of Jewelry!

Glancing around her hotel suite, the prominent clubwoman closed and locked the door. Hours later when she opened it again, the sight which greeted her eyes held her rooted to the spot. Her bureau gaped open! Dread clutched at her heart. Her jewels, $3,400 worth, were gone!

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Farm Mortgages in Manitoba Again Reduced During 1945

From Our Own Correspondent

WINNIPEG—Farm mortgages in Manitoba have been discharged this year about four times as fast as new ones have been put on, according to records of land titles offices outside Winnipeg.

The indications are that Manitoba agriculture will start its first peacetime crop year with the smallest mortgage debt of any year since it has ranked as a major Manitoba industry.

At the end of 1944 the total farm mortgage debt in the province had shrunk to $13,040,941. This figure, compiled from records of 30 life insurance, trust, and loan companies, did not include mortgages held by private individuals but it no doubt was reasonably close to the actual farm mortgage debt of the province.

It was less than half what it was in 1937 when corresponding records showed a farm mortgage debt of $29,559,813.

Farm mortgage debt in 1944 dropped about $5,000,000 from what it was in 1943. There are no present available records to show how much it has decreased in 1945 from last year but the number of discharges registered in the land titles offices this year indicates it has been substantial.

In the urban land titles offices, particularly Winnipeg, the number of new mortgages has been much heavier than in the country. House building has been responsible for most of the new mortgages.

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Likewise, when you consider an employee benefit plan for your employees—a most important step in your business—your first thought is to have the services of experts in this specialized type of coverage. You also want to do business with a company that has the organization to handle the many details in your plant smoothly and efficiently.

The Great-West Life Assurance Company measures up fully to these requirements. One of the largest Insurance companies on the continent, with extensive operations in Canada and the United States, it has fully staffed branches in all principal Canadian cities. These staffs include specialists in Group Insurance, who will be pleased to discuss any Employer-Employee plans with you.

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The GREAT-WEST LIFE ASSURANCE COMPANY
GROUP LIFE - GROUP ACCIDENT AND HEALTH - GROUP PENSION

Lumber Labor Ere Decontrol

Output Gain Before Home Stocks Can Widen Margin Over Exports

From Our Own Correspondent

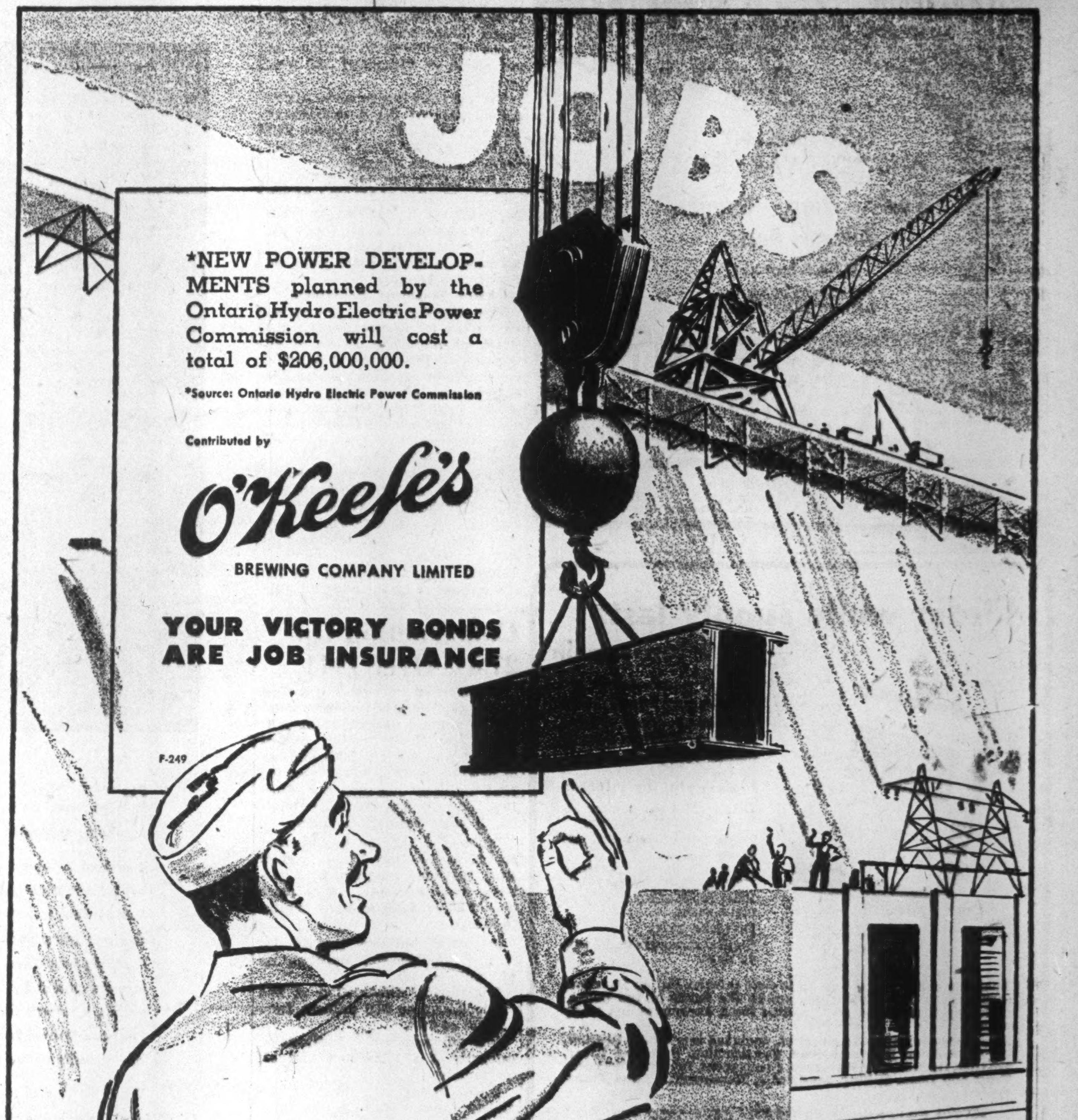
VANCOUVER — B. C. builders would like to see an early lifting of lumber supply controls but there's been little to indicate they can expect such a development until returning labor speeds production in woods and mills. Ottawa (DMS Timber Control) apparently is doing what it can for the domestic market—trying to give construction and other Canadian consumers more consideration than when military priorities commanded top position. But the export market remains clamorous, with needs particularly insistent for rebuilding Britain and Europe.

Ottawa meanwhile has disbanded Aero Timber Products Ltd., organized in 1942 to expand output of aircraft spruce, etc. Aero Timber has been operating on a greatly reduced scale since before V-E Day and now its equipment is being offered for sale by War Assets Corp.

Hobbs Glass Donates Three Scholarships

Hobbs Glass Ltd., announces it is donating scholarships in architecture at Toronto, McGill and Montreal universities. Stated object is to promote high standards of design, including design with glass. Awards will be for best solution of a "problem in which glass is an important item."

Zaker Gold Mines advises that diamond drilling has started on its Louvicourt twp., Que., property. Holes have been spotted by J. P. Norrie, consulting engineer.



Netherlands-U.K. Exchange Bargain Seen Forecasting One With Canada

A monetary agreement recently concluded between Britain and the Netherlands, is expected to facilitate materially resumption of normal trade between the sterling and guilder areas and, indirectly, trade between Canada and the Netherlands.

Fixing the rate of exchange for the two currencies—pound and guilder—for the next three years and arranging substantial credits for each country in the currency of the other, its effect is to provide a relatively close exchange relationship between the two currency areas, greatly stimulating private trade as distinct from trade between governments. It is believed probable some similar arrangement will be made between the Canadian and Netherlands Governments shortly.

Two Chief Points

Two chief points covered by the agreement are:

Regulation of normal means of payment between the two countries.

Use of sterling balances of the Netherlands frozen in May, 1940, as well as other sterling balances accumulated during the war and guilder balances in favor of British interests in Holland.

It fixes the official rate of exchange at 10.691 guilders to the pound sterling and further stipulates this rate may not be altered without previous mutual consultation. All measures will be taken to prevent transactions at other than the official rate of exchange. The newly established rate (10.691 guilders to the pound) is comparable to that of 41 cents Canadian funds to the guilder approved by the Foreign Exchange Control Board for the Armed Services.

Mutual Credits

To stimulate private trade further, between the sterling and the guilder areas, the Bank of England and the Netherlands Bank undertake to place at each other's disposal, respectively £5 millions and 53,450,000 guilders. It is also agreed that if the total amount of these credits is exceeded, the debtor country will settle the debt by gold payments. For the purposes of the agreement the sterling area will be redefined from time to time by the British Exchange Control Commission. The Netherlands monetary area comprises Holland, the Netherlands East Indies and the Netherlands West Indies.

The Netherlands East Indies occupy a special position although they participated in the agreement. The exchange rate for that area set at 7.6 guilders to the pound June 14, 1940 remains in force and by implication the same rate is set for the Curacao and Surinam guilder in the Netherlands West Indies. Thus the guilders in use in the Netherlands overseas dominions in the East and West Indies are given a higher value than the guilder of the home areas.

The rate set on the guilder of the Netherlands itself in sterling indicates that if an agreement is made between Canada and that country, the Canadian rate may remain about where it is now.

Some time ago, an export credit of $25 millions was arranged by Canada for the Netherlands. But this was to facilitate purchase by the Netherlands Government. So far it is believed practically no private trading has taken place between the two countries, or between the Netherlands and the U.S. although a shipment of bulbs reported landed at New York indicates a beginning of exports which should provide some U.S. exchange.

Lack Currencies

Regulations affecting foreign exchange dealings between Canada and certain continental European countries have been largely withdrawn as at Aug. 1 and remittances are now allowed to authorized countries including the Netherlands. Some of these countries are not yet able to remit in local currencies and accordingly payments to them have been made through other countries.

This agreement between the United Kingdom and the Netherlands, however, provides a definite amount of the exchange of each country to the other which should help the exchange of goods, and offers a precedent for Canada.

BANK OF CANADA

Assets Lower Deposits Down

A decline of almost $16 millions, in total assets, is shown in the statement of the Bank of Canada, for the week ended Sept. 12. The recession was entirely in miscellaneous assets, investments and holdings of sterling being higher.

	Sept. 12 1945 $	Sept. 5 1944 $
Liabilities		
Capital paid up	5,000,000	5,000,000
Notes in circ.	1,106,702,426	1,103,433,798
Rest fund	10,050,367	10,050,367
Deposits: Dom.	53,105,071	64,648,643
Chartered bks.	427,042,962	449,963,534
Other	43,127,382	40,103,454
Total deposits	523,275,415	551,715,635
Liabs. payable in sterling, U.S.A. and For. Gold currencies	176,079,962	176,079,962
All other liabs.	31,667,698	22,363,560
Total liabs.	1,852,775,868	1,868,643,318
Assets		
Sterl. & for'n. ex.	180,479,962	176,079,962
Subsid. coin	331,052	363,366
Investments:		
Dom. gov. sh.	1,058,442,918	1,044,915,128
Oth. Dom. gov.	584,152,879	580,699,116
Other secs.	10,000,000	10,000,000
Total invest.	1,652,595,797	1,635,614,244
Premises	1,944,665	1,949,665
All other assets	17,424,392	54,641,081
Total assets	1,852,775,868	1,868,643,318

Powell River Launches Major Expansion Plan

New Wharf, Bark Remover and Handling Equipment Being Installed to Increase Efficiency and Speed Output

A large development program is being undertaken by Powell River Co. which includes at the present time the construction of a new wharf, a hydraulic log barker, the improvement of handling facilities and the addition of another hydro generating unit at the Lois River development, The Financial Post is informed.

A waterfront area of approximately five acres at Powell River, south of the company's Kelly sprucedrying sheds is being prepared by cut and fill. Contiguous to this fill is the new wharf now under construction. It is being constructed on creosote piles and has a large durable and fireproof reinforced concrete deck slab cast directly on to the top of the piles. Provision is being made for the installation of a large hammer head or level luffing type crane on this wharf to handle heavy material at a later date.

Barker To Be Near Mill

It is intended that this wharf will be utilized in the immediate future for handling the company's lumber products at Powell River directly onto scows and will be used at a later date for handling materials to and from any new development in this area, The Financial Post is told. Considerable dredging has been undertaken south of this wharf and between the wharf and the sawmill to permit accommodation for log pond use and easier handling of whole logs.

The company intends to construct a hydraulic log barker in close proximity to the present sawmill. This is expected to be completed next March or April and will mean a considerable saving of wood in this operation, The Post is told. The barker will be capable of handling logs up to 72 in. in diameter and 26 ft. long and will be installed in an all-steel frame building erected on new fill and supported by wooden piles driven into this fill after consolidation. The fill will be surrounded by a dry rock wall. Provisions are under consideration for the installation of a second hydraulic barker to handle "small logs" at a later date.

Install Big Chipper

In conjunction with the barker installation, a large chipper is being installed, also in the vicinity of the existing sawmill, which will take logs up to 26 in. in diameter and 26 ft. long and which will be driven by a 500-h.p. motor. Completely new equipment for screening and conveying chips will be erected in the immediate vicinity of the chipping machine.

The present equipment in Powell River's barker and chipper building will be eliminated and block loading facilities will be installed near the sawmill. Straddle trucks will then carry blocks directly to the grinder rooms from the sawmills.

The handling of pulp and paper is being modified to eliminate entirely all hand trucking. All handling to and from railway cars and storage in warehouses will be carried out by means of power-driven fork trucks and pallet boards. Tilting tables are being installed to facilitate handling of the large rolls of paper and to enable the large rolls to be placed on the pallet board without undue manual effort and to speed up the loading of the pallets. The pallets themselves are a platform device on which materials can be stacked. The pallets are recessed so that the forks of the lift can be inserted to hoist the pile of material.

The hydro development at Lois River, which at present consists of an 18,000 k.v.a. vertical waterwheel driven generator which the Powell River Co. has ordered from the Canadian General Electric Co. It is anticipated that this generator will take about 18 months for delivery. This generator will be driven by a 25,000 h.p. vertical plate steel casing turbine, foundations for which are already being installed.

Sask. in Lumber Trade With New Organization

Timber Marketing Board to Replace Regular Lumber Dealers in Handling Province's Cut — Service Not to Be Compulsory, States Phelps

From Our Own Correspondent

REGINA—Detailed plans are now being shaped for the operation of the Saskatchewan timber marketing board, following the announcement that the Saskatchewan CCF Government was entering into the lumber business.

With wartime constitutional objections cleared out of the way, objections which prevented the board's formation last February, Natural Resources Minister J. L. Phelps said the board will consist of five men, and it will enter into large-scale buying, contracting for and selling of forest products.

The announcement came just a few weeks before the beginning of a detailed examination of Saskatchewan forest resources by a royal commission which will sit this winter.

Optional Service

In brief, the board will market the lumber for Saskatchewan lumbermen who want to make use of the board's services. There is no compulsion, but Mr. Phelps said that 85% of the province's timber producers have indicated their favor of the board.

The board will establish centrally located storage yards where lumber will season before consumer use. The board's headquarters will be at Prince Albert, northern Saskatchewan city close to the province's lumbering areas.

Mr. Phelps plainly indicated the move was to cut out the middlemen, who, he said, "were making all the profits."

Said Phelps: "Plans are being considered for the abandonment of the old system of selling cutting rights on crown lands. In place of this, we hope to let contracts direct to producers who will cut the timber, process it and turn the products over to the Government for sale and distribution."

Fifth CCF Venture

The board, the fifth CCF business enterprise to get under way since July, 1944, will be headed by R. T. Cook, natural resources department employee, as acting chairman. Other members are co-operative and lumbering businessmen: James Gray, Landis; Norman Campbell, Pelly; J. Bryson, Tisdale; and Robt. McInnis, Ushta.

Already, it has been announced that all railway ties produced in Saskatchewan in future will be handled through the timber board. This means the railways must deal with the government board directly, and cannot buy Saskatchewan ties through private lumber dealers.

A change in the board's machinery has now made it acceptable to the Dominion under wartime timber regulations, where only last February, the board scheme got turned down by the federal timber controller.

Last February, the board had planned on handling only 20% of the timber cut, which was to be marketed to farmers and to co-operatives.

This, the timber controller then said, would interfere with his responsibility for the proper distribution of timber products and he further decreed that the timber must be marketed through the established trade channels, that is, the regular lumber dealers.

No Ottawa Interference

Under the present board scheme, the province will not be buying lumber from operators, but will be marketing its own timber through the board. As a result, the objection that the board will be interfering with operators in production and supply of timber will not apply, it's claimed.

According to Supply Minister C. D. Howe, at Ottawa, the Dominion will not interfere with the board's establishment. But, he added, it would probably result in drastic curtailment of lumber shipments from other provinces into Saskatchewan.

Mr. Howe was of the opinion the matter should be deferred until the price obtainable in export markets is no greater than the domestic price, and the need for timber control comes to an end.

Said Mr. Howe: "I cannot see how a marketing board in Saskatchewan can add anything to the supply of lumber available for residents or increase returns to the producers or reduce cost to consumers."

New Debenture Plan For Haileybury, Ont.,

Debenture holders of the town of Haileybury have worked out a debenture reorganization plan whereby existing arrears will be liquidated and present debentures exchanged for new ones of the same face value and bearing 2¾% interest.

The plan is to calculate arrears of interest from the last date on which interest was paid on each debenture up to May 31, 1945, at 2¾% and to pay in full settlement of such arrears and to exchange present debentures for new ones of same face value dated June 1, 1945, and maturing June 1, 1985, bearing 2¾% interest, payable annually. Full provisions are made for retirement of debt at maturity. In addition any surplus from housing department is to be applied on purchase or call of debenture before maturities.

The debenture holders committee, it is understood, will be sending out circulars shortly explaining the plan to all known debenture holders.

Quebec Yellowknife Gold Mines advises that four holes have been drilled on its Indin Lake, Yellowknife property with first two holes put down on Singh Island intersecting No. 1 vein and a new showing. Cores have been shipped to Vancouver for assaying.

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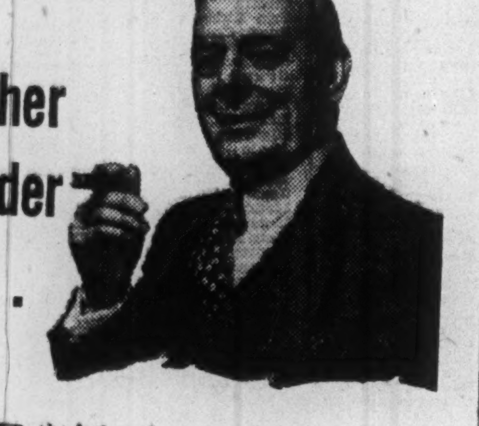

Another policyholder reports . . .

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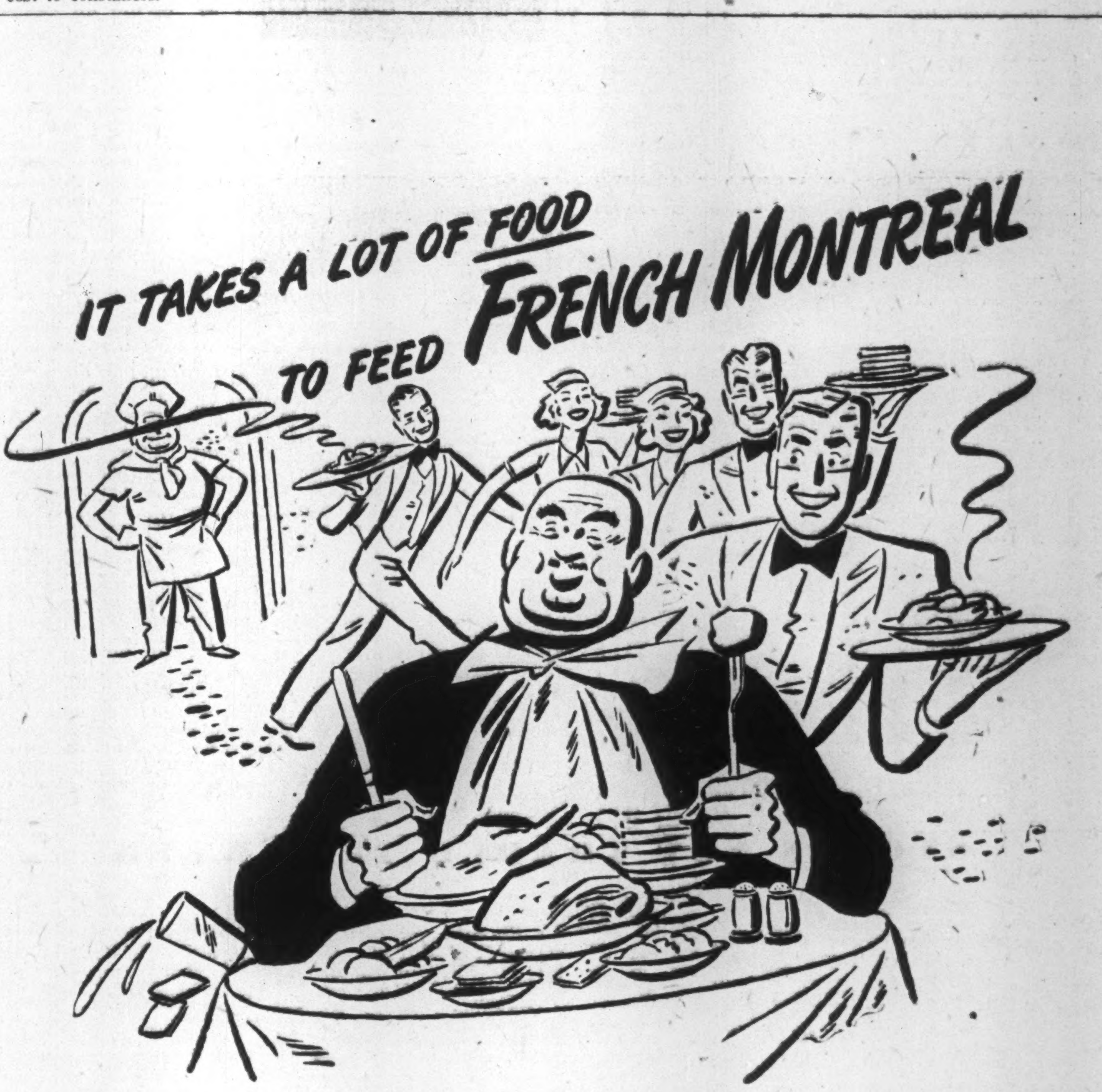

AND that means canned goods, and cereals, and tea and coffee, and many other products. But here we say "conserves, céréales, thé, café," because Canada's largest retail market is two-thirds French. This vast group of nearly three-quarters of a million Canadians thinks in French, speaks in French, buys in French. That's why—for substantial sales results in this area—alert merchandisers advertise *in French.*

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THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

WEEK ENDING SEPTEMBER 17

Range 1945 High	Low	Div R'te $	Sep15 Y'ld %		Sales	Last Sept. 10	Week end. Sept. 17 H	L	Cl'se
5½	2½	.	...	Abitibi	4682	4½	4½	4½	4½
67	44	.	...	Do. pref. 6%	10801	63½	67	64	66
170	140	.	...	Do. pref. 7%	90	165	168	168	168
18½	17	.	...	Acadia Atlan A	2740	17½	18½	17½	18
100½	99		...	Do. pref.	120	99½	99½	99½	99½
24	20	1.20	...	Agnew Surp.	417	23	23½	23	23½
19	14		...	Algoma Steel	701	15½	16½	15½	16
101½	97	5	5	Do. pref.	45	101	101½	101	101
107	100	5	4.7	Alum of Can p	225	106	106½	105½	106
129½	94½	8	6.1	Aluminium	228	121	122	120	120
20	13	*.60	...	Amal. Electric	25	18	17½	17½	17½
57	51½	2.75	...	Ang Can Tel p	15	54½	55	55	55
28	20	.80	3.4	Asbestos	[illegible]				

Range 1945 High	Low	Div R'te $	Sep15 Y'ld %		Sales	Last Sept. 10	Week end. Sept. 17 H	L	Cl'se
110	90	2.50	2.4	Goodyear Tires	40	109	110	109½	110
57	53½	2.50	4.9	Do. pref.	102	55	55½	55	55
9½	8½	.	...	Grand & Toy	100	9½	9½	9½	9½
30½	26½	.	...	Gt Lakes Pap p	35	29½	30	29½	29½
6½	4	.	...	Do. Vot. tr. c	50	5½	5½	5½	5½
33½	23	.	...	Do., Vot. tr. p	425	29½	30	28	28
7½	8½	.	...	Gurd, Chas.	200	7½	7½	7½	7½
12½	8½	.	...	Gypsum, Lime	975	11½	12	11½	11½
8½	6½	.	...	Ham. Bridge	2500	7	7½	7	7½
8½	6½	.20	2.5	Harding Carpet	1700	8	8	7½	8
20	15½	†.50	...	Hayes Steel	355	18½	18½	18	18
24	21	*.50	...	H. Smith Pap.	2940	[illegible]			

Range 1945 High	Low	Div R'te $	Sep15 Y'ld %		Sales	Last Sept. 10	Week end. Sept. 17 H	L	Cl'se
9½	8	.20	2.2	West Brew	60	9	9½	9½	9½
19	14	*.50	...	Westeel	10	18½	18½	18½	18½
24½	18	.80	3.6	Weston, George	2430	22½	24½	22½	23
101½	90	4.50	4.5	Do. pref.	225	101½	101½	101	101½
30	19½	1	...	Wilsils	75	21	22	22	22
11½	7	.	...	Windsor Hotel	18	11	10	10	10
14½	6	.	...	Winnipeg El A	6363	11½	12	10½	11
95	68½	5	5.6	Do. pref.	272	85	88	85	85
112	100	7	...	Wood, A & J p	10	110	112	110	110
34	29½	2	...	Woods Mfg.	354	33	31½	31½	31½
18	15½	1	...	Wool Combing	[illegible]				

Mining Stocks

Oil Stocks

STOCKS NOT TRADED THIS WEEK

Volume of Stock Sales

	Montreal	Toronto	Vancouver	New York
Sept. 18	......	846,000	......	1,460,000
Sept. 17	73,000	830,000	......	1,130,000
Sept. 15	......	......	......	820,000
Sept. 14	96,800	945,000	107,980	1,290,000
Sept. 13	162,800	914,000	109,798	1,750,000
Sept. 12	188,200	1,203,000	127,689	1,440,000

Oil Stocks

	Div. rate $	Last sale	Sept. 10 Bid	Ask
Brown Oil	...	.11	..	..
Commoil	†.01	.26	.26	.27
Grease Creek	...	.02½	.04	..
McLeod	...	.07	..	..
Petrol Oil & Gas	...	.03½	..	..
South West Pete.	...	.20	.20	.28
Spooner	...	.10	..	..
Sunset	†.01	.08	..	..
Trans. Alta.	...	.12	..	..
Vulcan	▪.03	.20	.20	.25

†Paid or payable in 1945. ▪Paid in 1943.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Sept. 18, 1945

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▴Alg. Cen. H.B.R.	5	'59	65½	68½	67
†Assoc. Tel. & T.	5½	'55	112½	115	112½
B. C. Power	4½	'60	101½	103½	102
B. C. Tel.	4½	'61	107½	109½	107½
†Calgary Pwr.	5	'60	113	....	113
Do.	5	'64	104	106½	104
Gatineau Pwr. A	3¾	'69	114	116	114
♦Do., B	3¾	'69	104½	106½	104½
Gt. Lakes Pwr.	4½	'56	103	105	103
Do.	5	'57	102½	104½	102½
*Int. Hydro-El.	6	'44	95	98	94
L. St. Law. Pwr.	5	'55	97	99	97
Macl'n-Que. Pr.	4	'59	102½	104½	102
Mtl. L. H. & Pr.	3½	'56	102	104	10[illegible]
Do.	3½	'73	100½	102½	100½
Do.	3½	'63	101	103	101
†Mtl. Tramways	5	'51	109	111	109
†Do.	5	'55	101	103½	101
Nat. Lt. & Pwr.	4½	'61	99	...	98½
N. S. Lt Pr.	4	'57	102½	104½	102½
Ottawa L.H. & P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	102	104	102
†Power Corp.	4½	'59	112½	114½	112½
Quebec Pwr.	4	'62	103	105	103
°Saguenay P. A a	4½	'66	115½	...	115½
♦Do., B	4½	'66	104	106½	104
St. Maurice Pr.	3¾	'70	100	102½	100
Shaw. W. & Pr.	4	'61	103	105	103
†Do.	3½	'70	98½	100½	98½
Do.	4	'69	104	106	104
Union Gas	4½	'50	101½	103½	101½
†United Secs.	3	'52	98	...	98
†Wpg. El. Ser. A.	5	'65	101	103½	101
Do., B	5	'65	102	104½	102
Industrial and Realty Issues:					
†Abitibi P & P C.O.D.	5	'53	112½	115	112
Acadia-Atlantic Sugar	3¾	'65	100	102	100
†Alta. Pa. Grain	6	'46	106	...	106
Algoma Steel	5	'48	102	104	101½
†B. C. Pulp & P.	6	'50	106	109	106
‡†Do.	7	'50	116	119	116
°Brown Co.	5	'59	101½	104	101
Burns & Co.	4	'63	98	100½	98½
Canada Cement	4½	'51	102	104	102
Canada Electric	4½	'65	101	103½	101
Can. Steamship	3½	'57	97	100	97
*Can. Int. Paper	6	'49	111	...	111
‡Can. Locomotive	6	'53	107	...	107
‡†Candn. Vickers	6	'47	102½	104½	102½
C. P. R.	3½	'51	104	106	104
Do.	4	'49	105	107	105
†Consol. Paper	5½	'61	106½	109	106
Dom. Coal	4½	'52	100	102½	100
Dom. Scott Inv.	4	'52	101½	...	101½
Dom. Stl. & C.	6½	'55	108½	111	108½
Dom. Woollens	5	'64	98	100	98
†Donnacona Pap.	4½	'56	102½	105	102½
*Dryden Pap.	6	'49	106½	...	106½
Famous Players	4½	'51	102	104½	102
†Federal Grain	6	'49	106	...	106
*Great L. Paper	5	'55	109	111	108
°Gurney Fdry.	5½	'49	101	...	101
†Gypsum Lime	5½	'48	107½	109½	107½
Ham. Cotton	3	'44-'5[illegible]	99	...	99
Inter-City Bak.	5½	'48	101	...	101
Indust. Accept.	4	'52	101	103	101
Ins. Ex. Bldg.	3	'51	84	...	82½
*Inter. P. Nfld. (Bowater's P&P)	5	'68	110	...	110
*Inv. Bond & Sh.	5	'47	91½	94	91½
Lake St. J. P.	5½	'61	102½	104½	102½
Do.	5	'61	100	102	100
Legare	6	'61	100	...	100
Maple L. M.	[illegible]	[illegible]	99	101	...
Man. Sugar	5	'6[illegible]	104	10[illegible]	104
Massey-Harris	4½	'5[illegible]	103	105	10[illegible]
McColl-Fron.	4½	'4[illegible]	102	104½	[illegible]
McCormicks	4	[illegible]	101	...	101
Do.	[illegible]	[illegible]	101	[illegible]	101
Mercury Mills	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Moirs Ltd.	6	[illegible]	[illegible]	[illegible]	[illegible]
Mtrl. Drydocks	6	[illegible]	[illegible]	[illegible]	[illegible]
Montreal Apts.	4	[illegible]	87	[illegible]	[illegible]
N. S. Stl. Coal	3½	'63	92½	94½	92
Price Bros.	5	'57	103	105	103
*Prov. Paper	5½	'47	110½	...	110½
Reliance Grain	4½	'52	100½	...	100½
Silv. Dairies	6	'66	101	103	101
Simpsons, Ltd.	3½	'60	101	102	100
United Corp.	4	'58	101	102	100
United Gr. Grs.	4½	'58	101	103	101
†Western Grain	5	'62	93	96	93

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
°Payable in U. S.
♦Payable in Canada only.
‡Traded without accrued interest.
▴Payable in Can. or U. K.

Confed. Amusements Issue Oversubscribed

MONTREAL (Staff)—An issue of $425,000 Confederation Amusements Ltd., 2[illegible] to 4% serial first mortgage bonds, maturing 1946 to 1965 inc[illegible], and offered at 100 by [illegible] Inc., has been oversubscribed.

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Sept. 18, 1945

%	Due	Bid	Ask.
Victory Loans:			
3	June 1951	105½	106
3	Mar. 1954	104½	105½
3	Nov. 1956	103	103½
3	May 1957	102	102½
3	Jan. 1959	101½	102½
3	June 1960	100½	101½
3	Feb. 1962	100½	100½
2	Dec. 1946	100½	101½
2½	Mar. 1948	101½	102½
1¾	May 1946	100½	101
1¾	Nov. 1946	100½	101
1¾	May 1947	100½	102
1¾	Mar. 1948	100½	101
1¾	Nov. 1948	101½	100½
1¾	Nov. 1949	100	100½
3	Oct. 1963	99½	100½
Dom. of Canada Bonds			
3½	June 1949	101½	102
3½	Nov. 1951	104½	104½
4	Oct. 1952	104½	105½
3½	Feb. 1952	105½	106½
3	Oct. 1952	103½	104½
3	June 1955	103	103½
4½	Nov. 1956	103½	104½
4½	Nov. 1957	105½	106½
3	June 1958	101½	102½
4½	Nov. 1958	107½	108½
4½	Nov. 1959	109½	110½
3½	June 1966	103½	104½
3	Perpetual	97½	98½
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Dec. 1950	100½	101
3	Jan. 1959	100½	101½
4½	Sept. 1951	124½	...
4½	Feb. 1956	128½	...
4½	July 1957	129½	...
3	Feb. 1953	102½	103½
4½	June 1955	130½	...
3	Feb. 1954	117	118½
5	Oct. 1969	127½	...
5	Feb. 1970	127½	...
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	130½	...
Grand Trunk Pacific Rly.:			
3	Jan. 1962	113	...
4	Jan. 1962	126½	...
Provincial Govt. Bonds			
New Brunswick:			
4	Nov. 1947	110	...
3	Oct. 1951	98½	100½
3½	Aug. 1949	99½	101½
3½	June 1956	100½	102½
4½	Apr. 1961	128½	...
5	Jan. 1960	132½	...
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100½	102½
3½	Nov. 1950	103½	105½
4½	Sept. 1952	115½	...
4½	Nov. 1960	130½	...
5	Mar. 1690	135½	...
Ontario:			
3	Apr. 1943	100½	101½
3	Nov. 1950	101½	102½
3½	Nov. 1951	103½	105
3½	May 1955	103½	105
4	June 1962	126½	...
4½	June 1950	109½	110½
4½	Jan. 1962	133½	...
5	Oct. 1948	108	109½
5	Dec. 1960	137½	...
5½	July 1946	102½	103½
2½	May 1945	99½	100½
Ont. Hydro Commission:			
3	Aug. 1948	100½	101½
3½	Feb. 1953	103½	104½
3½	Apr. 1947	102	103½
Prince Edward Island:			
4	Mar. 1954	103	106
Quebec:			
3	Nov. 1947	100½	102½
3½	Mar. 1948	101½	102½
3½	Mar. 1959	102½	104
4	Nov. 1952	104½	105½
3¾	Feb. 1955	103½	105
4½	Aug. 1958	110	111½
4½	Jan. 1963	116	117½
Alberta:			
4½	Oct. 1956	124½	127½
4	Dec. 1954	110½	113
5	Oct. 1959	128	131
5½	Apr. 1952	128	131
6	Mar. 1947	116	119
British Columbia:			
4	Dec. 1957	121	123
4½	Jan. 1951	121½	123½
4½	Oct. 1953	122½	124½
5	Apr. 1954	126½	128½
6	Feb. 1947	104	106
Manitoba:			
4	Dec. 1957	119½	121½
4½	Dec. 1956	124	126
5	Dec. 1959	133½	135½
5	Oct. 1955	116½	119½
6	Apr. 1947	103½	106½
Saskatchewan:			
4	Sept. 1954	94½	97½
4	Nov. 1960	94	97
4½	Oct. 1951	106½	...
4½	Mar. 1960	101½	...
5	Aug. 1958	98	101½
5½	Oct. 1952	100½	103½
6	Mar. 1952	102½	105½

*New York quotations in U. S. funds.

Unlisted Stocks

(Compiled from quotations by Plaxton, McDonnell & Co., Kamm, Garland & Co. and Kippen & Co. Inc.

Sept. 18, 1945

	Bid	Ask
Allens Toronto Units	36.00	....
Anglo Can. Telephone A	9.75	10.75
British Mortgage and Trust	150.00	160.00
B. C. Sugar	90.00	93.00
Canada Machinery com.	9.25	10.50
Canada Paving 1st pfd.	6.00	8.00
Canadian Airways	2.50	3.75
Canadian Fairbanks com.	26.00	28.00
Can. Ingersoll-Rand	59.00	62.00
Can. Investors Corp.	7.00	7.75
Canadian Motor Lamp A	9.00	10.00
Can. West. Nat. Gas pfd.	106.00	....
Capital Trust Co. $100 par.	52.00	59.00
Capital Wire Cloth	22.00	....
Cawthra Apts. units	3.50	5.50
Chase, A. W., units	28.00	....
Colonial Steamships com.	83.00	....
Commercial Finance com.	9.00	....
Commercial Life 10% paid	7.00	9.00
Commonwealth Int. Corp.	3.47	3.81
Confederation Life Assoc.	139.00	....
Continental Life 20% pref.	33.00	37.00
Crown Trust Co.	75.00	....
Detroit International Br.	21.50	23.50
Dover Industries Ltd.	8.75	9.75
Dunlop Tire pfd.	25.25	26.25
Eastern Steel Prod. pfd.	22.50	....
Empire Life Ins. 25% paid	15.50	18.00
Federal Foundries & Steel Co., new com.	4.00	4.50
Foreign Power Sec.	20.00	25.00
Galt Brass com.	23.00	....
Goderich Elevator & Trans.	16.00	17.50
Great Lakes Power pfd.	114.00	116.00
Great West Life	340.00	355.00
Guardian Realty pfd.	28.00	33.00
Guaranty Co. of N. America	2.00	....
Guelph and Ont. Svgs. $50	52.00	55.00
Gurney Foundry pfd.	2.60	3.50
Hart Battery com.	6.75	7.75
Inter. Utilities $3.50 pfd.	56.25	59.00
Lambton Loan & Inv. $50	51.00	....
Loblaw Groc. Inc.	15.75	16.75
London & West. Trust $100	75.00	....
Manufacturers Life Ins.	260.00	275.00
Midland Loan & Svgs. $10	15.00	....
Mon'ch Life Assce. 20% pd.	58.00	....
Monarch Mtge. units	2.85	3.50
Montreal Island Power	....	42.00
Montreal Trust Co.	76.00	....
Morrison Brass com.	3.50	4.50
National Drug & Chem. c.	5.00	6.50
National Hosiery pfd.	3.75	5.30
National Hosiery com.	3.00	5.00
New Brunswick Telephone	12.00	15.00
Ont. Tobacco Plant units	18.00	21.00
Paramount Kitchener units	54.00	....
Provincial Bank of Canada	12.50	13.25
Provincial Paper pfd.	108.00	109.50
Prudential Trust	8.00	10.00
Ruddy, E. L., pfd.	140.00	155.00
St. John Drydock pfd.	103.50	....
Sawyer Massey com.	1.25	....
Seiberling Rubber com.	6.25	8.50
Sincennes McNaughton T.	2.00	2.75
Sherbrooke Trust	130.00	....
Sovereign Life Ass. 25% pd.	27.00	30.00
Standard Fuel pfd. 6½%	96.00	100.00
Standard Fuel com.	1.75	....
Sterling Trust	83.00	86.00
Sun Life Assce.	375.00	390.00
Third Can. Gen. Inv.	3.40	3.80
Toronto Carpet pfd.	95.00	....
Toronto General Ins.	5.50	6.75
Trusts & Guarantee $100	72.00	....
United Farmers Co-op.	3.00	4.00
United Steel A pfd.	26.00	27.50
Victoria Trust & Svgs.	103.00	....
Waterloo Mfg. com.	7.75	8.75
Western Assurance com.	59.00	....
Western Grain com.	.70	1.15
Western Grain pfd.	37.00	40.00
York Trading com.	6.00	....

Significant Investors' Index Numbers

(Base 1935-39=100)

	Mach. and equip	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	7	4	4	10	13	8	16	14	8	18	100
***1935 to date:**												
High	140.0	234.5	149.7	123.7	153.7	118.3	222.5	153.4	146.3	118.2	145.0	134.1
Low	69.7	31.6	61.2	41.2	78.4	73.5	79.3	66.7	60.2	69.0	65.2	61.1
1945: Monthly Figures												
Jan.	120.7	149.8	108.7	74.8	135.5	105.8	175.5	102.4	99.3	90.0	107.7	89.4
Feb.	122.8	154.0	108.4	77.9	136.2	106.8	184.9	103.0	100.9	89.5	111.6	92.9
Mar.	123.1	152.4	102.4	79.1	136.3	106.2	182.0	102.6	100.7	90.0	110.4	93.2
Apr.	123.1	147.4	106.4	77.8	136.5	107.1	194.4	104.7	101.6	89.6	112.4	94.2
May	131.6	151.3	110.1	78.9	140.8	105.7	202.6	107.8	102.8	90.1	115.0	97.8
June	138.2	160.5	117.2	82.8	149.7	107.6	212.1	116.9	109.7	96.6	126.5	102.5
July	137.0	155.3	112.9	79.7	150.4	110.7	212.0	117.1	107.4	99.1	125.0	100.5
1945: Weekly Figures:												
Aug. 2	137.3	154.0	113.7	78.9	150.8	109.9	209.9	116.4	106.6	98.1	124.0	99.8
Aug. 9	136.7	155.9	113.1	78.5	149.7	110.4	213.0	117.5	104.6	98.2	123.8	99.7
Aug. 16	137.7	152.9	111.2	78.8	150.9	110.2	212.7	118.5	104.9	98.2	120.7	99.2
Aug. 23	138.5	154.3	111.9	78.5	150.9	109.7	212.7	118.6	104.6	98.8	121.7	99.4
Aug. 30	137.4	159.2	112.6	78.3	153.7	111.8	222.5	118.1	104.0	98.8	120.7	100.1
Sept. 6	138.0	163.9	113.2	78.6	153.0	112.5	221.3	120.0	106.4	97.7	123.0	101.3
Sept. 13	138.6	167.4	116.5	78.5	152.5	114.5	223.1	123.2	108.6	98.6	124.8	101.9

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Sept. 18	154.58	126.79	79.24	27.92
Sept. 17	153.81	126.19	78.86	27.91
Sept. 15	......	......	....	....
Sept. 14	154.20	127.07	79.44	28.27
Sept. 13	154.86	127.83	79.43	28.35
Sept. 12	155.35	127.87	80.01	28.30
Month ago	150.13	127.96	82.68	28.33
Year ago	125.93	111.40	73.71	27.06
1945 High	155.35	130.50	86.30	30.72
1945 Low	131.95	107.98	72.49	26.35

Montreal Stock Exchange Average

	10 Util.	20 Ind.	20 Chd.	10 Pprs.	15 Golds
Sept. 18	65.0	106.5	92.7	216.11	93.05
Sept. 17	64.7	105.7	92.0	210.74	92.17
Sept. 15	....	....	....	....	....
Sept. 14	64.9	106.5	92.6	215.17	93.52
Sept. 13	65.0	106.7	92.8	215.81	93.50
Sept. 12	65.0	107.0	93.0	216.61	93.52
Month ago	64.7	103.5	90.6	197.16	93.47
Year ago	52.7	84.8	74.1	160.47	80.64
1945 High	67.7	107.0	93.0	216.61	100.74
1945 Low	58.8	92.5	81.3	178.99	76.13

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Utils.	65 Stocks
Sept. 18	177.58	56.84	33.82	65.77
Sept. 17	174.75	55.82	33.45	64.73
Sept. 15	175.65	56.02	33.45	65.01
Sept. 14	177.74	57.17	33.78	65.90
Sept. 13	178.59	57.27	33.86	66.14
Sept. 12	178.99	56.41	33.81	65.96
Month ago	163.38	52.12	32.05	60.68
Year ago	145.62	39.64	24.70	51.87
1945 High	178.99	63.06	33.86	66.14
1945 Low	151.36	47.03	26.15	55.85

Unlisted Mines

Approximate quotations, 4 p.m., Sept. 17, subject to confirmation:

	Bid	Ask
Advance	.24	.27
Albany Riv (new)	.35	.38
Alcan	.06	.08
Alger	.36	.39
Aljo	.05½	.06½
Ama Kir	.16	.18
Ama Lar	1.55	1.70
Ang Ro	1.10	1.20
Anna'que	.12	.14
Anoki	.08	.10
Ansley	.19	.22
Apex Oil	.06	.07
Argonaut	.13	.15
Arntfield (old)	.06	.08
Athona n	.18	.21
Audley	.05½	.07
Aurora Y	.20	.23
Auterra	.06	.08
Barb L n	.05	.07
Blondor	.15	.18
Blue Gras	.08	.10
Boycon	.44	.47
Bravo	.09	.11
Brig R L	.09	.11
Brock	.11	.13
Buff R L	.34	.37
Burley Po	.04	.06
Calder Bo	.14	.15
Camlaren	.14	.16
Carricona	.06	.08
Cen Mani	.06	.08
Cock R L	.07½	.08½
Columbier	.17	.19
Con Chib	.40	.45
Con Cop	.09	.11
Courageo	.17	.20
Craibbe	.55	.60
Croydon	.16	.19
D'Aragon	.44	.47
Derlak	.06	.08
De Santis (new)	.13	.15
Dexter	.90	.95
Dickenso	1.43	1.48
Dom Mal	.10	.12
Dona Pat	.05	.07
Duvay	.47	.50
Eastward	.24	.27
Electra	.13	.14
Erin Kirk	.06	.08
Eurek Co	1.70	1.75
Goldora	.29	.32
Goodrock	.04½	.06
Greenlee	.10	.13
Harp Mal	.08	.10
Hayes Cd	.05	.06
Head RL	.20	.23
Highridge	.16	.18
Hoyle	.28	.32
Hugh Mal	.23	.25
Hugh P P	.20	.23
Joannes D	.09	.11
Kamlac	.35	.37
Kencour	.15	.18
Kenda Pe	.40	.45
Kenroy	.08	.12
Laguerre	.33	.36
Lk Expa	.20	.23
Lar-Add	.07	.09
Larder U	.09½	.11
Lavalie	.14½	.16
Legardo	.06	.06
Louvore	.07	.08
Magn Con	.51	.54
Major Oil	.10	.12
Manterre	.09	.12
Marbenor	.41	.44
Marquette	.06	.08
Mar Bird	.18	.20
Mar McN	.23	.26
Mary Ann	.09½	.11
Mat Con	.28	.32
Mate Ye	.21	.23
Metalore	.03½	.05
Mic of Cn	.17	.20
Moffatt H (new)	.04	.05
Mohawk P	.03½	.04½
Murbell	.07	.09
Murmac	.30	.33
Mylamaque (new)	.25	.28
McCuaig	.21	.23
McDonal	2.00	2.10
McManus	.12	.14
Nat Mal	.40	.43
Nay '45	.54	.57
New Aug	.25	.28
New Mal	.08	.10
New Nor	.31	.33
Nicholson	.09	.11
Nickel O	2.00	..
Norbeau	1.00	1.10
Norcourt	.13	.15
Norford	.09	.11
Norseman	.19	.22
Nortyne	.04	.06
Novele P	.11	.13
Obalski	.21	.23
Obaska	.45	.50
Oklend	.13	.15
Opemiska	.17	.20
Olivet	.04½	.05½
Orpit	.13	.15
Ortona	.27	.30
Parbec	.19	.21
Pascalis	.40	.42
Peg Tan	.90	1.10
Pelangie	.10	.12
Petiticlerc	.20	.23
Pinnacle	.14	.15
Poona Go	.05	.06
Presdor	.07	.08
Privateer	.51	.54
Que Man	.43	.47
Rajah RL	.10	.12
Rambull	.04½	.06
Rand Mal	.18	.21
Raym Tib	.14	.16
Rebair	.49	.52
Redwood	.06½	.08
Richgroup	.26	.30
Ritoria	.07	.09
Rhyolite	.05	.06
S.A.G.A.	1.00	1.10
Santiago	.23	.26
Sheldon	.45	.48
Skyn Lk	.06½	.08
Stadacona	.75	.80
Sun Bear	.14½	.16
Surf Inlet	.45	.48
Tiffany	.09	.11
Tobico	.03½	.04½
Tombill	.19	.22
Tovarich	.04½	.05
Th'n Hill	.24	.26
Vincent	.95	1.05
Val D'Bel	.06	.08
Vin Min	.95	1.05
Virginia	.37	.40
Weku Con	.46	.50
Wesley	.05	.06
West R L	.08	.10
West Shor	.04	.06
Wilwood	.05	.07
Wincheste	.26	.29
Wingait	.25	.28
Y David	.27	.30

Wheat Prices

Winnipeg Grain Futures

Week to Sept. 18, 1945

Crop year from Aug. 1, 1945 High	Low		High for week	Low for week	Close Sept. 18
		Oats*			
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
1.64	1.04⅛	Oct.	1.68	1.61⅝	1.67¾
1.53⅜	1.24⅛	Dec.	1.63	1.54¾	1.59⅜
1.51½	1.34⅞	May	1.54⅞	1.50¾	1.56⅝
......	......	July	1.51⅜	1.43⅜	1.47⅜

*At ceiling.

Cash Quotations

	For Week Sept. 18 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	1.68⅛	1.63⅜	1.66⅞	1.62⅞

*At ceiling.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.19	$11.10	$10.75
Hogs	18.06	18.10	17.45
Copper, lb	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.2	105.3	103.6
Dow Jones	99.64	99.37	92.57
Fishers	115.2	115.5	113.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Aug.)	120.5	120.3	118.9
W'sale (July)	104.0	103.2	102.5
U. S. (May)	106.0	105.7	104.0
Gt. Brit. (Apr.)	167.7	167.8	165.5

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic. New York. No. 7 coffee. Rio Sugar 96 degrees centrifugal c.f. New York.

*Ceiling prices fixed by the office of Price Administration.

Dividends Declared

	This payment $	Date payable	Date of record
Acadia Atlantic A	.25	Oct. 1	Sept. 10
Agnew Surp. 7% p.	1.75	Oct. 1	Aug. 31
Agnew-Surp.	.30	Dec. 1	Oct. 31
Alum. of C. 5% p.	1.25	Nov. 1	Oct. 3
Amer Cyanamid .	.25	Oct. 1	Sept. 4
Do., 5% pf.	.12½	Oct. 1	Sept. 4
Asbestos Corp. 0.20+0.10		Sept. 30	Sept. 1
Bank of N. S......	.25	Nov. 1	Oct. 16
Bathurst Power ..	.25	Dec. 1	Aug. 31
Beatty Bros.	.50	Oct. 1	Sept. 15
Beatty Bros.	.25	Oct. 1	Sept. 15
Beaver Lumber 7% pref.	1.75	Oct. 1	Sept. 10
Belding-Corticelli .	1.00	Oct. 1	Aug. 31
Do., 7% pr.	1.75	Oct. 1	Aug. 31
Bell Telephone ...	2.00	Oct. 15	Sept. 22
Bralorne Mines ..	.20	Oct. 15	Sept. 12
Brantford Cord. ..	.12½	Oct. 15	Sept. 20
Do., $1.30 pf. ..	.32½	Oct. 15	Sept. 20
Brazilian Tr. 6% p.	1.50	Oct. 1	Sept. 14
Br. American Oil .	0.25	Oct. 1	Sept. 5
Brit. Am. Assur...	1.50	Oct. 1	Sept. 25
B. C. El. Pr. 6% p.	1.50	Oct. 1	Sept. 20
B. C. Power	.40	Oct. 15	Sept. 29
Burlington Steel ..	.15	Oct. 1	Sept. 10
Bldg. Prods.	.15	Oct. 1	Sept. 13
Calgary & Edmon.	.05	Oct. 15	Sept. 8
Can. Bread 5% pr.	.62½	Oct. 1	Sept. 10
Can. Brew.	*.20	Oct. 1	Aug. 15
Do., pref.	.85	Oct. 1	Aug. 15
Can. Cement 6½% pfd.	1.25	Sept. 20	Aug. 24
Celanese Corp. ..	.50	Sept. 30	Sept. 17
Do., 1st pf.	1.18¾	Oct. 1	Sept. 17
Do., 7% 2 pf.	1.75	Oct. 1	Sept. 17
C. Crushed Stone	0.10	Sept. 20	Sept. 1
Can. Cycle 5% pf.	1.25	Sept. 29	Sept. 14
Can. Dry	.25	Oct. 1	Sept. 15
Do., $4.25 pf. ...	1.06¼	Oct. 1	Sept. 15
Can. North. Pwr.	.15	Oct. 25	Sept. 21
Do., 7% pf.	1.75	Oct. 15	Sept. 21
Can. Packers A pf.	0.75	Oct. 1	Aug. 31
Do., "B" pf.	0.25	Oct. 1	Aug. 31
Can. Celanese 0.25+0.25		Oct. 2	Sept. 30
Do., 7% pf.	1.75	Sept. 30	Sept. 10
Canada S.S.	.50	Oct. 15	Sept. 15
Candn. Canners ..	.27½	Oct. 1	Sept. 10
Do., 5% pf. ....25+.05		Oct. 1	Sept. 10
Do., 2nd pfd. ...15+.10		Oct. 1	Sept. 10
Candn. Car pf. ...	.52	Oct. 10	Sept. 21
Candn. Converters	.75	Oct. 1	Sept. 15
Candn. Cotton	.30	Oct. 1	Aug. 31
Do., 6%	.30	Oct. 1	Aug. 31
Cand. Oil 5% pf....	.41667	Oct. 1	Sept. 20
C. Fairb.-M. 6% p.	1.50	Oct. 15	Sept. 29
Can. For. Invest..	.75	Oct. 1	Aug. 31
Can. Food Prod. ..	.62½	Oct. 1	July 31
Can. Genl. Invest.	.15	Oct. 15	Sept. 29
Candn. Industries .	1.25	Oct. 31	Sept. 28
Do., 7% pf.	1.75	Oct. 15	Sept. 15
C. Ingersoll-Rand	0.50	Sept. 27	Sept. 15
Can. Oil. 8% pref. .	2.00	Oct. 1	Sept. 20
Can. Perm. Mtge. .	2.00	Oct. 1	Sept. 15
Can. Pacific	.50	Oct. 1	Aug. 31
Carnation Co. 4% p.	1.00	Oct. 1	Sept. 19
Can. Wire Box "A"	.37½	Oct. 1	Sept. 10
Cassidy's Ltd. 7% pf.	1.75	Oct. 1	Sept. 4
Central Patricia..	.03	Sept. 30	Sept. 6
Central Can.	2.00	Oct. 1	Sept. 17
Chartered Trust ..	1.00	Oct. 1	Aug. 15
Cinzano Ltd. 5½% pf.	2¾%	Sept. 29	Sept. 15
Com. Alcohols ...	.05	Oct. 15	Sept. 30
Do., 3% pfd.	.10	Oct. 15	Sept. 30
Command Oil ...	.03	Sept. 29	Sept. 17
Consumers Gas ...	2.00	Oct. 1	Sept. 15
Cockshutt Plow. c	.25	Dec. 1	Nov. 2
Confed. L. 30% pr.	1.50	Sept. 29	Sept. 25
Do.	1.50	Dec. 31	Dec. 24
Con. Bakeries	0.20	Oct. 1	Aug. 31
Cons. Press ......15&.25		Oct. 1	Sept. 15
Consumers Glass .	.50	Oct. 1	July 30
Crown Cork	.50	Nov. 15	Oct. 15
David Frere	0.25	Sept. 29	Sept. 15
Dist. Seagram. pf..	1.25	Nov. 1	Oct. 10
Dome Mines	.30	Oct. 30	Sept. 29
Dominion Bk.	.20	Nov. 1	Oct. 15
Dom. Dairies 5% p.	0.44	Oct. 15	Sept. 30
Dom. Found.	0.35	Oct. 1	Sept. 10
Dom. Glass	1.25	Oct. 15	Sept. 27
Do., 7% pfd.	1.75	Oct. 15	Sept. 27
Dom. Oilcloth ...03+.10		Oct. 31	Oct. 1
Dom. Tar 5½% pf. ..	1.37½	Nov. 1	Oct. 2
Dom. Textile	1.25	Oct. 1	Sept. 5
Do., 7% pf.	1.75	Oct. 15	Sept. 14
Fairchild Air	.25	Oct. 15	Sept. 17
Famous Players ..	.37½	Sept. 29	Sept. 15
Fanny Farmer ..	0.37½	Sept. 29	Sept. 15
Foundation Co. ..	0.35	Oct. 19	Sept. 29
Fraser Co.	.50	Oct. 25	Sept. 29
Gatineau Pr. Co.	0.20	Sept. 29	Sept. 1
Do., 5% pf.	1.25	Oct. 1	Sept. 1
Do., 5½% pf.	1.37	Oct. 1	Sept. 1
Goodyear T. 5% p.	.62½	Oct. 1	Sept. 15
Grand & Toy	.15	Oct. 1	Sept. 20
Gt. West Life	3.75	Oct. 1	Sept. 20
Gt. Lakes Paper $2, A.B. pfd.	0.25	Oct. 1	Sept. 4
Gt. W. Sad. 6% 1 pf.	0.75	Oct. 1	Aug. 30
Do., 6% 2 pf.	0.75	Oct. 1	Aug. 30
Greening Wire ...	.15	Oct. 1	Sept. 1
Hart Battery	.10	Sept. 28	Aug. 27
Hinde & Dauch ..	0.25	Oct. 1	Sept. 1
Hollinger Con. ..	.10	Sept. 29	Sept. 1
Humberstone S....	1.25	Oct. 8	Sept. 15
Huron & Erie	1%	Oct. 1	Sept. 15
Imperial Bank ..	.20	Nov. 1	Sept. 29
Imperial Tobacco	0.10	Sept. 29	Aug. 14
Do., 6% pf.	3%.	Sept. 29	Aug. 14
Ind. Accept. 5% p.	1.25	Sept. 29	Aug. 31
Intl. Bronze Pwdrs	0.20	Oct. 15	Sept. 15
Do., 6% pf.	0.37½	Oct. 15	Sept. 15
Inter City Baking	.75	Sept. 29	Sept. 15
Intnl. Nickel	.40	Sept. 29	Aug. 30
I. Nickel 7% p. 1¾%U.S.		Nov. 1	Oct. 2
Intl. Paper 5% pf..	1.25	Sept. 29	Sept. 7
Intl. Power 7% pf.	1.75	Oct. 1	Sept. 10
Invest. F., 6% pf.	.75	Oct. 15	Sept. 15
Intnl. Metal, A	0.35	Oct. 1	Sept. 10
Do., 4½%	1.12½	Oct. 1	Sept. 10
Jam. Pub. Service	0.17	Oct. 1	Aug. 31
Do., 7% pf.	1.75	Oct. 1	Aug. 31
Journal Pub.	.17	Oct. 15	Sept. 18
Kelvinator	1.00	Sept. 25	Sept. 14
Kirkland Lake ...	.02	Nov. 1	Sept. 28
Lamaque G.M. ...	.05	Oct. 1	Aug. 28
Lang, John A.	.25	Oct. 1	Sept. 10
Lowney Co.	.12½	Oct. 1	Aug. 31
Macassa Ltd.	0.03	Sept. 15	Aug. 15
Maple Leaf G. 7% p.	.70	Oct. 15	Oct. 1
McColl-Frontenac 6% pf.	1.50	Oct. 15	Sept. 29
MacKinnon Steel 5% pf.	1.25	Sept. 15	Aug. 31
Marcus Lowe	1.00	Sept. 29	Sept. 10
Do., 7% pf.	1.75	Sept. 29	Sept. 10
Maritime Tele.	.17½	Oct. 15	Sept. 20
Do., 7% pf.	.17½	Oct. 15	Sept. 20
Modern Cont.	.30	Oct. 1	Sept. 20
Do., 5½%	1.37½	Oct. 1	Sept. 20
Molson's Brewery .	.25	Sept. 26	Aug. 31
Monarch K. 5% pf.	1.25	Oct. 1	Sept. 14
Montreal Tele.	0.48	Oct. 15	Sept. 15
Moore Corp.	0.55½	Oct. 1	Aug. 31
Do., 7% A&B pf.	†1.75	Oct. 1	Aug. 31
Murphy Paint	.20	Oct. 1	Sept. 15
Do., 5½% pf. ..	1.37½	Oct. 1	Sept. 15
Natnl. Biscuit Co.	.30	Oct. 15	Sept. 7
Natnl. Brew.	0.50	Oct. 1	Sept. 7
Do., 7%	0.44	Oct. 1	Sept. 7
Natl. Steel Car ...	.25	Oct. 15	Sept. 15
Nl Grocers $1.50 p.	.37½	Oct. 1	Sept. 8
Natl. Trust	2.25	Oct. 1	Sept. 15
Niagara W. Weav.	.25	Oct. 1	Sept. 8
North Star 7% p...	.08¾	Oct. 1	Sept. 10
Nova Scotia Lt. Pr.	1.50	Oct. 1	Sept. 14
Ont. Loan	1.25	Oct. 1	Sept. 15
Ogilvie Flour	.25	Oct. 1	Aug. 27
Ont. Steel	0.25	Nov. 15	Oct. 15
Do., 7% pf.	1.75	Nov. 15	Oct. 15
Ottawa Elec. Rly. ..	0.50	Oct. 1	Sept. 1
Ottawa Car	.25	Oct. 1	Sept. 1
Ottawa L. H. & P.	.15	Oct. 1	Aug. 15
Do., 5% pref.	1.25	Oct. 1	Aug. 15
Page-Hersey	0.31¼	Oct. 1	Sept. 15
Paramount Pict...	†.50	Sept. 28	Sept. 7
Perron Gold	0.02	Sept. 29	Aug. 30
Power Corp 6% pf.	1.50	Oct. 15	Sept. 20
Do., 2nd pf.	0.75	Oct. 15	Sept. 20
Preston E. Dome..	0.03	Oct. 15	Sept. 15
Price Bros. 5½% pf.	1.37½	Oct. 1	Sept. 4
Regent Knit Mills	.40	Dec. 1	Nov. 1
Remington-Rand	.30	Oct. 1	Sept. 7
Do., $4.50 pf...1.12½US.		Oct. 1	Sept. 7
Regent Knit. Mills	.25	Oct. 15	Sept. 15
Riverside Silk $2 p.	.50	Oct. 1	Sept. 11
Robertson, P. L., c.	.50	Oct. 1	Sept. 20
Do., $2.50 pf. ...	.62½	Oct. 1	Sept. 20
Russell Ind.	0.30	Sept. 29	Sept. 14
Do., 7% pf.	1.75	Sept. 29	Sept. 14
Howard Smith ...	0.25	Oct. 30	Sept. 29
Do., 6% pf.	1.50	Oct. 20	Sept. 29
Sheep Creek	.03	Oct. 15	Sept. 29
Sherwin-Williams .	.15	Nov. 1	Oct. 10
Do., 7% pf.	1.75	Oct. 1	Sept. 12
Sicks' Brew.	.35	Sept. 29	Aug. 30
Do. V.T.	.35	Sept. 29	Aug. 30
Silverwood .... 0.20+0.05		Oct. 1	Aug. 31
Do., 40c. pr. pf. ..	0.20	Oct. 1	Aug. 31
Silverwood's Westn. 5% pf.	1.25	Oct. 1	Sept. 1
So. Can. Pr. 6% pf.	1.50	Oct. 15	Sept. 20
H. Simon Co......	.15	Sept. 29	Sept. 8
Do., 7% pf.	1.75	Sept. 29	Sept. 8
Standard Fuel 6½% pf. ....1.00+1.00		Oct. 1	Sept. 15
Standard Pav. pf.	.31¼	Oct. 1	Sept. 1
Standard Radio ..	.10	Oct. 10	Sept. 21
Stedman Bros.	0.25	Oct. 1	Sept. 20
Do., 6% pf.	0.75	Oct. 1	Sept. 20
Sylvanite G.M.	.03	Oct. 1	July 28
Sun Life Assur....	3.25	Oct. 1	Sept. 15
Tamblyn Ltd.	.20	Oct. 1	Sept. 7
Do., 5% pfd.	.62½	Oct. 1	Sept. 7
Tip Top Tailors ..	.7½	Oct. 1	Sept. 1
Toronto Gen. Tr...	1.25	Oct. 1	Sept. 7
Teck-Hughes	.05	Oct. 1	Aug. 28
Tooke Bros.	0.25	Oct. 3	Sept. 15
Thrift Stores 6½% p..	.40¾	Oct. 1	Sept. 20
Toronto Mortgage.	1.25	Oct. 1	Sept. 15
Traders Fin. 6% p.	1.50	Oct. 1	Sept. 17
Twin City Rapid Tran. 7% pf.	1.75	Oct. 1	Sept. 20
United Fuel 6% p.	.75	Oct. 1	Sept. 10
Viau Ltd. 5% pf...	1.25	Oct. 1	Sept. 20
Wabasso Cotton	1.00	Oct. 1	Sept. 15
Walk.-Good. & W.	1.00	Dec. 15	Nov. 9
Do., pref.	.25	Dec. 15	Nov. 9
Western Assur. ..	1.20	Oct. 1	Sept. 25
Weston, G., Ltd. ..	.20	Oct. 1	Sept. 10
West. Grocer	.75	Oct. 15	Sept. 14
Do., 7% pf.	1.75	Oct. 15	Sept. 14
Wilsil Ltd.	.25	Oct. 1	Sept. 1
Woods Mfg.	0.50	Sept. 29	Aug. 31
Wool Comb.	.25	Oct. 10	Sept. 25
Wright-Harg.	.05	Oct. 1	Aug. 23

†N. Y. funds.
■Subject to approval of Foreign Exchange Control Board.
*Initial.

Orange Crush Ltd. has declared a dividend of 70c. a share payable Nov. 1, 1945, to shareholders of record Sept. 29. Arrears, after giving effect to the above payment, will amount to 70c. a share.

DIVIDEND NOTICES

THE DOMINION BANK

Dividend No. 252

Notice is hereby given that a dividend of two per cent (twenty cents per share) upon the paid up capital stock of this Institution has been declared for the quarter ending 31st October, 1945, making a total distribution of eight per cent (eighty cents per share) for the fiscal year. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of November, 1945, to shareholders of record of the 15th October, 1945.

By Order of the Board,
ROBERT RAE,
General Manager.
Toronto, 13th September, 1945.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:
7% Cumulative Preferred Stock
No. 83, quarterly, $1.75 per share, payable October 15th, 1945.
No par value Common Stock
No. 65, quarterly, 15c per share, payable October 25th, 1945,
to holders of record at the close of business on September 21st, 1945.
L. C. HASKELL,
Secretary.
Montreal, September 13th 1945.

Orange Crush Limited

Dividend Notice—Preferred Stock

Notice is hereby given that a dividend of seventy cents (.70 cents) per share on the outstanding no par value preference shares of the capital stock of the Company has been declared payable on the first day of November, 1945, to shareholders of record at the close of business on the 29th day of September, 1945. The payment of this dividend is in respect of and in satisfaction of the half-yearly instalments of dividend payable on the said preference shares on the first days of May and November in the year 1944.

By Order of the Board,
R. G. McMULLEN,
Secretary.
Toronto, Ontario,
September 14, 1945.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable October 1st, 1945, to shareholders of record as at close of business September 15th, 1945.

Signed "W. S. Barber,"
Secretary-Treasurer.
Toronto, Ontario.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and thirty-seventh quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for the quarter ending August 31, 1945, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 12th day of September, 1945, and that cheques will be mailed October 1, 1945. Books not closed.

By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.,
September 5, 1945.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on and after
1st October, 1945,
to shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board.
GEORGE D. KIRKPATRICK,
Vice-President.
11th September, 1945.

FRASER COMPANIES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of fifty cents per share has been declared on the Common Stock of the Company for the quarter ending September 30th, payable on the 25th day of October, 1945, to shareholders of record at the close of business on the 29th day of September, 1945.

By order of the Board.
G. G. GILLIES,
Secretary.

Municipal Bonds

Sept. 18, 1945

	%	Due	Bid	Ask.	Yld. %
Halifax	3½	1965	102½	104½	3.18
Hamilton ..	5	1950	108	110¼	2.82
Montreal ..	3	1950	99.00	101.00	2.77
Ottawa	3	1953	100½	102½	2.64
Quebec	3	1964	97½	99½	3.03
†Quebec ..	5	1959	124	126	2.69
Saint John.	5	1950	108	110	2.90
†Toronto ...	4½	1955	127	130	1.08
†Vancouver.	5	1970	130	132	3.10
Winnipeg ..	6	1950	111.00	113.00	3.00

†Payable Canada and New York.

Bond Redemptions

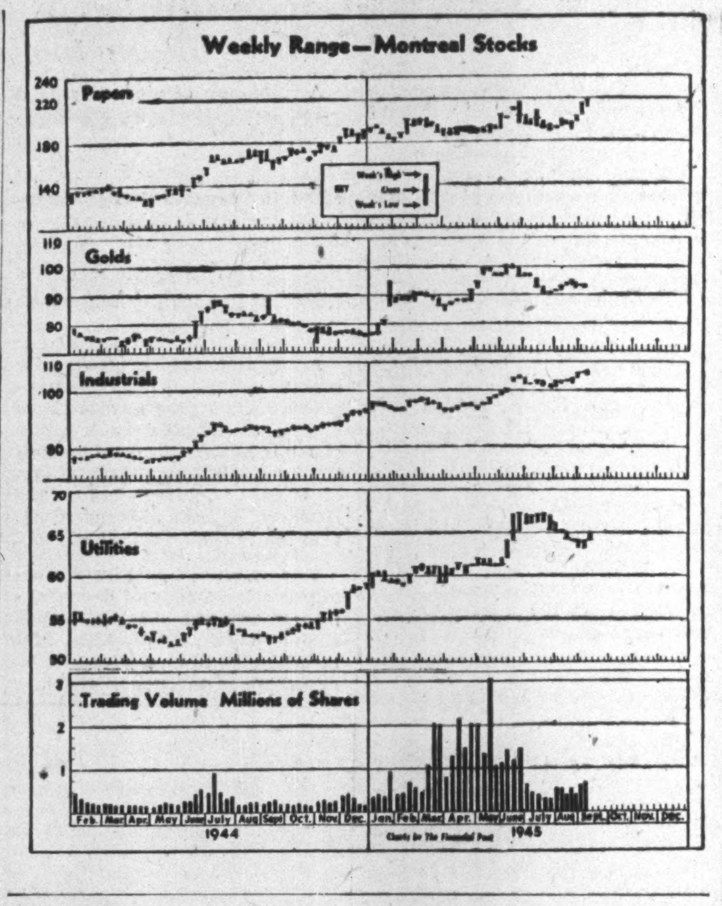
Bond Issues:	Rate	Year	Due	Price
Can. Bridge Debs.	4%	1952	Oct. 1	100
Chatco St'l Prods.	5%	1955	Oct. 10	102
Famous Players ..	4½%	1951	Oct. 24	102
Maritime Elec. ..	5½%	1956	Oct. 1	102
Do.	4½%	1956	Oct. 1	102
Montreal Is. Pr. ..	5½%	1957	Nov. 1	102
Nan.-Dunc. Util..	4½%	1964	Oct. 1	103
Natl. L. & Pwr.	4½%	1961	Sept. 25	T'drs
Nfld. L. & Pwr...	5%	1956	Oct. 1	102
Windsor Gas	5%	1966	Nov. 1	100

Company Meetings

1945	Company	Place
Sept. 24	Kerr Lake M. ..	New York City
Sept. 25	Lake Shore M. ..	Kirkland Lake
Sept. 28	Power Corp.	Montreal
Oct. 4	Abitibi P. & P. com. ...	Toronto
Oct. 5	Abitibi P. & P. 6% pf...	Toronto
Oct. 8	Abitibi P. & P. 7% pf...	Toronto
Oct. 10	Abitibi P.&P. unsec. cr...	Toronto
Oct. 10	S. American G. & P...	New York
Oct. 19	Barcelona Trac. 6½% pr. lien bds.	London, Eng.
Oct. 19	Barcelona Trac. 5½% 1st mtge.	London, Eng.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.92	5.38
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.35	4.80
Can. Investors	7.70	8.25
Commonwealth Int.	3.42	3.77
Corporate Inv.	7.80	8.40
Trans-Canada (A)	12.50	...
Do. (B)	...	12.20



DIVIDEND NOTICES

The Canadian Bank of Commerce

DIVIDEND NO. 235

Notice is hereby given that a dividend of fifteen cents per share, in Canadian Funds, on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1945, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st November next, to shareholders of record at the close of business on 29th September, 1945. The Transfer Books will not be closed.

By Order of the Board.
S. M. WEDD,
General Manager.
Toronto, 15th September, 1945.

BRALORNE MINES LIMITED

(Non-Personal Liability)

DIVIDEND NO. 44

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share has been declared on the paid-up capital stock of the Company, payable on the 15th day of October, 1945, to shareholders of record as of September 22nd, 1945.

By Order of the Board.
RONALD H. GRACE,
Secretary-Treasurer.
Vancouver, B.C.,
September 10th, 1945.

Chartered Trust and Executor Company

DIVIDEND

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of the Company for the quarter ending September 30th, 1945, payable October 1st, 1945, to shareholders of record at the close of business September 15th, 1945.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
August 7th, 1945.

Kirkland Lake Gold Mining Company, Limited

(No Personal Liability)

DIVIDEND NO. 21

A semi-annual dividend of two cents per share on the outstanding capital stock of the Company has been declared payable November 1st, 1945, to shareholders of record September 28th, 1945.

Taxes imposed on shareholders' dividends will be deducted where applicable.

By Order of the Board,
H. F. Cassidy,
Secretary Treasurer.
Toronto, Sept. 7th, 1945.

Dominion Glass Company Limited

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1945.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1945.

The above Dividends will be paid on Monday, the 15th day of October, 1945, to shareholders of record at the close of business Thursday, the 27th day of September, 1945.

By Order of the Board.
F. N. DUNDAS,
Assistant Secretary.
Montreal, 27th August, 1945.

BEARDMORE LEATHER BELTING DRIVES BEST
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BEARDMORE & CO. LIMITED
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MARKET COMMENT

Quick Recovery For Industrials

Industrials on the Canadian stock exchanges reacted narrowly during the week in sympathy with New York's week-end break but gave evidence of coming back strongly in line with New York's extraordinary display of market resilience. So strong appears the conviction of ultimate peacetime prosperity that even prospects of a nation-wide automobile strike caused only moderate liquidation and with no fresh news of an adverse nature developing the index bounded back almost to its previous level. The recent resurgence in rails, countering widely expected declines to lower levels, puts a new prop under the present secondary upswing.

Papers, though closing somewhat lower, saw increased action and traded at the highest price levels of the year.

Action in the mining issues was mixed with increasing indications of a more selective market from here on.

* * *

Wall Street Journal: In the past it has been an adage not to sell stocks on strike news. However, Wall Street fears strikes at the moment because of the reconversion status of industry. Labor troubles, financial people believe, at this juncture, would accelerate and extend the so-called "vacuum" period when earnings will be smaller as a result of reconversion.

* * *

The Cleveland Trust Co. If it turns out that reconversion follows an employment pattern that is similar to that of conversion, we should expect employment to decline for five months in the industries that have much of it to do, and to reach its low point five months after this past July, or in December. The War Manpower Commission estimates that we may have 6,200,000 unemployed at that time. After December we should expect employment to increase in the reconversion industries for seven months, and to reach its normal full employment level in July of 1946.

* * *

New Highs and Lows

During the week ending Sept. 18, 33 new highs were recorded among the "general" stocks traded on the Canadian stock exchanges and only two new lows. Among the mines there were five new highs and four new lows. In the western oils there was one new high and one new low during the week.

GENERAL

New Highs—1945

Abitibi 6% pf.	Foundation Co.
Acadia Atla. A	Fraser Co.
Asbestos Corp.	Gatineau Pr. 5½% p.
Bathurst Pwr. A	Goodyear com.
Can. Cement com.	Loblaw "B"
Can. Malting	Mont. Ref. & S. c.
Can. Brew. com.	Peoples Cr. Secur.
Can. Breweries pf.	Provincial Trans.
Can. Gen. Electric	Russell Ind.
Can. Westinghouse	Southam
Cassidy's pref.	Stop & Shop
Catelli Food com.	Toronto Gen. Tr.
Chateau Gai Wine	Trader's Fin. pf. A
Crown Cork & Seal	Weston, Geo., c.
Dom. Foundries	Western Br.
Equitable Life	Zellers 5% pf.
Eastern Steel	

New Lows—1945

Int. Metal Ind. pf. McBrine

MINING

New Highs—1945

Buffadison	Kerr-Addison
Cournor	Rochette
Forty-Four	

New Lows—1945

Broulan	Sladen Malartic
Marion R.	Trans. Res.

OILS

New Highs—1945

Mill City

New Lows—1945

Highwood S.

See Higher Earnings For MacMillan Export

Earnings of H. R. MacMillan Export Co. for the year ended Sept. 30, 1945, are expected to show a little better than for the 1944 fiscal year, The Financial Post understands, although present corporation taxes do not permit a rise in retained earnings.

Two new gang mills have recently been put in operation by its subsidiary, Canadian White Pine Co., which will facilitate and make more economical the handling of smaller logs, The Post is informed.

Oxygen Filling Station For Winnipeg Suburb

Dominion Oxygen Co., Toronto (unit of Union Carbide & Carbon Corp.) announces plans to build an addition to the St. Boniface (Winnipeg) plant of its affiliate, Prest-O-Lite Co. of Canada, as an oxygen filling station. Oxygen is used for a wide variety of industrial operations, especially in oxy-acetylene processes of cutting, welding and flame-treating metals; is also used by aviators for flights at high altitude.

Foreign Trade Enquiries

Herewith The Financial Post offers a further collection of enquiries in a new service to Canadian business. The following are definite trade proposals and enquiries for Canadian goods from firms in foreign countries.

The service is designed to facilitate our foreign trade by assisting firms here to find out about foreign business opportunities and to contact foreign business firms directly and immediately.

The queries here listed come from foreign readers of The Financial Post, other Maclean-Hunter publications and particularly from Industrial Progress, the Maclean-Hunter publication of Canadian trade abroad.

Write The Foreign Trade Service Bureau, The Financial Post, 481 University Ave., Toronto 2, for full information on any bulletin below, and please give the code number preceding the item.

As an additional free service, similar concise statements of trade proposals by Canadian firms producing industrial equipment for export will be published by Industrial Progress which circulates in more than 30 foreign countries. Please send your announcements to the same address.

CM62, NEW ZEALAND—Pumping machinery of all kinds produced in Canada is stated as interest of engineering firm.

D40, ARGENTINA—Engineer acting as agent and buyer for industrial firms is interested in availability of following lines in Canada: water turbines, gates, valves and penstocks for hydraulic plants, paper mill machinery, steel pipe and boiler tubes, malleable pipe fittings, steam boilers, all kinds of materials, apparatus and instruments for steam plants, heating, air-conditioning, etc., also in wire ropes, aluminum ingots and all kinds of aluminum products.

CM61, AUSTRALIA — Leading hosiery manufacturer states interest in machinery for textile field and for use in workshops devoted to maintaining textile plants.

CM60, VENEZUELA and COLOMBIA — Importing firm, described as having extensive business experience, large and effective organization and excellent references, seeks arrangements to represent Canadian manufacturers of general construction equipment, paper, textiles, etc.

G21, CHILE—Source of supply sought for new and rebuilt sewing machines.

CM59, NEW ZEALAND — Information sought on placer dredging and source of supply for spare parts for gold dredges.

CM58, BRITISH GUIANA—Estate engineer expresses interest in Canadian equipment for refining sugar.

G20, HOLLAND—Licensed textile agent active for 20 years in this line wishes to obtain representation of Canadian manufacturers for the following lines: hosiery, underwear, lastex girdles, bathing suits, gloves (leather and knitted), household linen, towels, cotton, woollen, and silk piece-goods, mending wools and cottons, men's shirts and pyjamas, raincoats, rubber aprons and baby pants.

D39, TRINIDAD—Commission merchants wish to represent Canadian manufacturers exporting to the British West Indies, especially Trinidad, and will purchase also on own account. They are interested in all kinds of goods suitable for that market, including groceries, canned, smoked, pickled, or salted meats, fish, edible oils and shortening, dried peas and fruits and vegetables; dairy products, beans, tea, spices and condiments, biscuits and confectionery, flour and feeds, alcoholic and nonalcoholic beverages and concentrates, tobaccos, pharmaceuticals and patent medicines, toilet preparations, builders' hardware lines, kitchen, pantry and household utensils, haberdashery and novelties, toys, paper manufactures and stationery, cotton and rayon piece goods, headwear and footwear, sports goods, ropes and twines, etc.

CM57, CHILE — Information requested on heavy machinery and locomotives available in Canada.

CM56, NEW ZEALAND — Engineering firm asks for details of steel plates resistant to corrosion by sea water.

G19, SOUTH AFRICA — Manufacturers' agents, described as one of the largest in the Union, maintaining 14 branches there and also operating in Rhodesia, the Congo, Reunion, Mauritius, Madagascar and on African East and West Coasts, seek permanent arrangements for handling textiles in heavy volume; also interested in radios, refrigerators, washing machines, electric stoves, farm machinery, and active as timber dealers.

CM55, ARGENTINA—Firm actively interested in "everything regarding minerals," particularly seeks special classes of accurate gauges or calibrators in smallest breadths for mica films and splittings; company also seeks Canadian market for mica it produces.

Ont. Steel Products Faces Reconversion

The high rate of operations of Ontario Steel Products Co., Gananoque during the war has continued into the current fiscal year to date, president, H. M. Jaquays stated at the annual meeting. This, however, will now alter as war vehicle production ceased Sept. 15, 1945. The company is now faced with a period of adjustment from war to peace but it has the equipment necessary to make the needed changes and meet peacetime requirements as they evolve, the president said.

It is expected that a definite decline in manufacturing schedules will result from peace until passenger cars are being produced in large volume. However, prospective sales of automotive products for the calendar year 1946 appear extremely bright, another company official states.

Woodward Stores Ltd. To Expand in Edmonton

From Our Own Correspondent

EDMONTON — A $500,000 building expansion program here has been announced by P. A. Woodward, vice-president of Woodward Stores Ltd., Vancouver. As soon as labor and materials are available, the existing store will be heightened from five to six stories and three stories will be added to a wing to make it a complete six-story building. This part of the program will cost an estimated $350,000. Another $150,000 will be spent on the construction of a warehouse to afford 50,000 square feet of space.

Slater Co. Purchases Hespeler, Ont., Plant

Property and assets of Stamped & Enamelled Ware Ltd., Hespeler, Ont., has been purchased by N. Slater Co., Hamilton, Ont. The plant produces enamelled kitchen utensils and does custom enamelling.

W. H. Cooper, board chairman of N. Slater Co., states that new equipment is being installed to improve quality and extend consumer goods lines, that vitreous enamelling of custom specialties will be further developed as an extension of the metal stamping division of the parent plant in Hamilton and that this service will also be available to manufacturers requiring it.

Caneco envelopes
CANADA'S FINEST
CANADA ENVELOPE COMPANY
939 Busby Street • Montreal

WHEN to BUY and WHEN to SELL
The bulletin "MARKET ACTION & INVESTMENT OUTLOOK" is issued once a week. It does not give you a lot of "ifs, ands or buts", and reasons why such and such a stock is attractive or otherwise.
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Brick and Tile Makers Boost Their Advertising

Brick & Tile Manufacturers Association of Canada, W. C. McGolpin, Toronto, president, has inaugurated a nationwide advertising program to promote use of clay products. The association recently became affiliated with Structural Clay Products Institute, Washington, D.C., whose pictorial magazine, "Brick and Tile," the Canadian body now is mailing regularly to architects and engineers.

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UNITED WELFARE CHEST
CAMPAIGN HEADQUARTERS KING EDWARD HOTEL

East Sullivan's Second Ore Body Looks Bigger Than Original Find

By GORDON M. GRANT

While grade may be somewhat lower, indications are strong that East Sullivan Mines in its new west ore body, beyond the fault, will disclose a larger tonnage of ore to the vertical foot than in the original deposit for which there are estimated 4,873 tons to the vertical foot averaging $10.19 to the ton, representing 3.29% copper, 1.88% zinc and $1.78 gold and silver.

President Pierre Beauchemin, at the company's annual meeting earlier this week, explained that geological conditions as indicated by a detailed magnetometer survey continue excellent for at least several hundred feet west of present drilling and it is quite conceivable—on data so far secured—that the new west ore body may have a considerably greater tonnage than the original discovery.

No. 24, the most westerly hole so far on the west ore body, has given an impressive zone intersection—one of the best yet—with the first 72.5 reported to run $11.04 in combined gold-copper-zinc values, the bottom 3 ft. running $14.21 in gold alone. Beyond the 72.5 ft., there is 100 ft. more of core for which assays are not yet available.

Hole 24 was 100 ft. west of hole 22 which showed 180 ft. averaging 3.22% in copper ($6.76 a ton), 0.66% zinc and 78 cents in gold or an aggregate of $8.07 without including any value for silver.

2,000 Tons Per Hole

Plans call for further holes to extend, if possible, the new ore body further to the westward. Hole No. 26 has been spotted 100 ft. to the west of No. 24 and hole 28 will be 100 ft. west of 26 again. Each really good hole at 100-ft. intervals in the west body can add around 2,000 tons to the vertical foot to indicated tonnage, ore widths run so great.

A deep series of holes is at present being drilled to test the original eastern deposit at depth. No. 25 hole is being drilled below hole No. 9. After an initial intersection, the main zone started coming in and the first 24 ft. of core starting at 553 ft. shows an average of 4.52% copper and $3.32 in gold—or $12.81 per ton.

It was stated at the annual meeting that shaft sinking and underground work will be undertaken as soon as further knowledge of the extent and behavior of the ore occurrence has been secured by more drilling.

Present authorized capital of East Sullivan is three million shares which is somewhat smaller than for a number of base metal producers such as Consolidated Smelters, Falconbridge, Normetal, Sherritt Gordon, etc. Earlier this year the company had $400,000 cash on hand and with 509,993 unissued shares still under option at 50 and 55 cents a share (Sullivan Consolidated has an option on 499,993 shares at 55 cents), the company can expect an additional $250,000. These funds should see the company through a considerable program of underground development.

On Further Financing

Naturally it is too early to talk possible production plans and financing proposals until further information is available with an underground test carried out. However, it appears that if funds necessary for placing the property in production should not be available by way of loan, it would be comparatively simple to place a further million shares on authorized capital to permit further financing on the basis of the market value of shares.

A contract has been signed with Northern Quebec Power Co. for power which is to be turned on at the property shortly. Construction of a motor road has been commenced to connect the company's property with the Val d'Or-Montreal highway which passes nearby.

Gan to Drill Soon Howey Financing

A program of deep diamond drilling is expected to get under way shortly on the properties of Gan Copper Mines and Algray Mines in Beauchastel twp., Northwestern Quebec, with a contract for drilling signed with Jones & Bradley who anticipate moving a heavy drill on the property before the end of the month.

A Koulomzine magnetometer survey, preliminary to the proposed drilling program, has been carried on recently by a group of mining companies consisting of Howey Gold Mines, Mining Corp. of Canada, Coniagas Mines and Northern Canada Mining Corp. who are financing activities.

Feature of the Gan-Algray property is a large body of dalmatianite or "spotted dog" alteration similar to that in which base metal ore bodies have been found elsewhere in the Rouyn camp.

Dentonia Outlines Proposals For Broadening Work Scope

With recent considerable change in officials and appointment of J. Cowan Adam as president and managing director, Dentonia Mines has now announced plans for increasing its authorized capital for expansion of its exploration program under Godfrey T. Johnson, recently appointed mine manager.

A proposal that authorized capital be increased from 2.5 to 3.5 million shares is to be submitted to shareholders at a special meeting of shareholders to be called shortly.

Besides appointment of Mr. Adam as president, William Spence has been made vice-president and Mr. Johnson also becomes a director. Other directors are E. Shaw and L. C. Mounger of Seattle.

The new mine manager, Godfrey Johnson, formerly with Hollinger Consolidated Gold Mines and Lake Shore Mines, plans to accelerate the diamond drilling and development program at the Greenwood property following a recent personal examination.

Officials state that the 4 ft. 7 in. vein encountered in No. 6 diamond drill hole gave a core assay of $5.77 proving the extension of the Jewel vein for an additional 100 ft. in a northerly direction. Known depth of the Jewel vein is 539 ft. on the dip of the vein or 350 ft. vertical depth.

OIL PRODUCTION

Admiral-Brit. Dominion Find Oil at Hay Lake

From Our Own Correspondent

CALGARY—A probable commercial oil discovery, and perhaps the beginning of an important new oilfield just north of the Montana-Alberta boundary, was marked up to the credit of two Alberta independent companies on Sept. 15, when Admiral Oils & British Dominion No. 1 well struck crude oil and gas in the top of the Madison limestone.

The well, on the Hay Lake structure in L.S.D. 7-22-1-17w4, cored into the Madison lime at 3,087 ft.—58 ft. higher than pre-drill estimate based on Seismograph surveys — showed oil saturation from the contact, and broke into porous lime at 3,092 ft. Coring was halted one foot in this zone at 3,093 ft. and a drill-stem test made.

The test, made through 4½-in. drill-pipe, gave a fluid rise of 330 ft. in one hour, the column consisting of approx. 300 ft. of crude oil and 30 ft. of drilling mud. There was no sign of formation water, it is stated. During the test, the well maintained a steady gas blow, but gas volume was not measured. Each 70 ft. of the fluid column is equivalent to one barrel. Oil influx rate from the formation, therefore, appears to have been just over four bbls. hourly. Gravity of the oil is estimated at 30 degrees API or better.

* * *

Can't Estimate Flow

Seven-inch production string of casing was to be set at the well last week end, with plug slated to be drilled out this week end, preliminary to full-scale production tests. It is not possible to estimate the probable potential of the well, inasmuch as present bottom is only a foot or so in the porous zone, and inasmuch as the Madison will re-act to acidization, and a treatment will likely be applied to open the zone. Coming operations will determine whether a flowing well or a pumper will be obtained.

Drilled with light rotary by contractor Newell & Chandler, the well is owned jointly by Admiral Oils and British Dominion Oil & Development Corp. The two companies jointly own 16,000 acres in the area tested, extending north for nine miles from the Montana boundary, some nine miles west of the border town of Coutts.

* * *

Good Well for Conrad

The California-Standard Co., Conrad-Province No. 75-33B, in the southeast 10 acres of L.S.D. 12 33-5-15w4, completed drilling last week with indications of one of the best producers yet in the Conrad Ellis sand oilfield. In one hour drill-stem test through 3½-in. drill-pipe, the well gave an oil rise of 1,500 ft.—a rise indicative of a potential on pump exceeding 100 bbls. daily. Test was made with bottom at 3,077 ft., a few feet in the Ellis sand. Casing has been set to the top of the sand, preliminary to preparing the well for pump.

No. 75-33B is located in the southerly part of the "proven area"; is quarter of a mile south of No. 77-33B (now yielding 130-135 bbls. daily, with recovery to date about 35,000 bbls.); quarter of a mile east of No. 15-32B (pumping about 90 bbls. daily); and quarter of a mile west of No. 55-33B (which obtained an excellent showing in the Ellis but has been unable to go on production due to mechanical difficulties). The new success will likely lead to further development to the south and east.

* * *

Frederick Bush, chief geologist for the big Sinclair Oil Corporation of New York, has completed the initial inspection of Alberta oil development for his company, and has now returned to the United States. Whether or not the visit of Mr. Bush presages entry of Sinclair into Canadian development is not known. This company, it will be recalled, has been in the news recently through its acquisition of exclusive exploration rights in the North African country of Ethiopia.

North Malartic Geology Gives New Ore Chances

Out of the broad program of drilling, geophysical work and geological work which has featured the north part of the Malartic area the last two years have come several important new concepts of geological characteristics of the area—and several new theories of possible ore deposition.

Drilling and other work have now established fairly exactly the location of the north limb of the Malartic area apparently joining up with the Malartic main limb out to the east at the old Crossroads property (now Elmac Malartic Mines) and extending in a northwesterly direction consecutively through Norman Malartic, Clarnor Malartic, Marbenor Malartic, Norbenite, Citralam, Hugh Malartic, Vinray and beyond that again. The zone has been found about a mile north of where it was originally thought to be.

Perhaps the most important discovery, however, has been that what was thought to be a fault across the north limb running across the Citralem, Hugh Malartic and Vinray properties displacing the north limb somewhat is not a fault at all but a large drag fold. This discovery lends a new complexion to work completed on these three properties and a substantial number of new possibilities are presented for investigation. Existence of a drag fold rather than a fault possibly explains the difficulty found by Hugh Malartic and Citralam in linking up good values secured in isolated holes.

The exact limits of the apparent drag fold remains to be determined but it appears the fold has an important effect at Hugh Malartic, Citralam and Vinray. The folding, with its damming effect, may have resulted in important gold deposition, yet to be located, in the immediate area.

Test Surface Show

With the new knowledge of geology attention is now being paid to a north-south surface showing on Citralam close to the Hugh Malartic boundary which shows $20.02 across 1.5 ft. for a length of 75 ft. This showing is now being tested by drilling. Drilling is continuing in search for ore in the projected extension of the Norbenite zone.

Besides the major drag fold located, which is similar to other drag folds to the northwest and similar to that believed to exist to the west on the Independent Mining Corp. property which is on an intermediate "north limb," geophysical work has indicated a number of northeast-southwest striking faults which are regarded as exploration bets although their exact relationship to the deposition of gold values, if any, remains to be established.

Two faults apparently cross the Vinray property while another apparently crosses the Vincent Mining Corp., Viney-Donaldson and Bradnor properties. Diamond drilling is being started on the Bradnor property which also contains the extension of the Independent M. C. intermediate limb which has received little exploration as yet.

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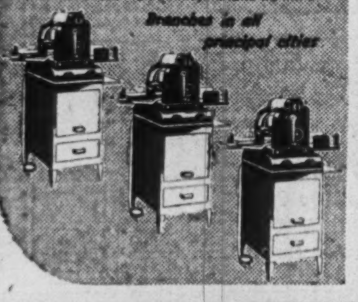

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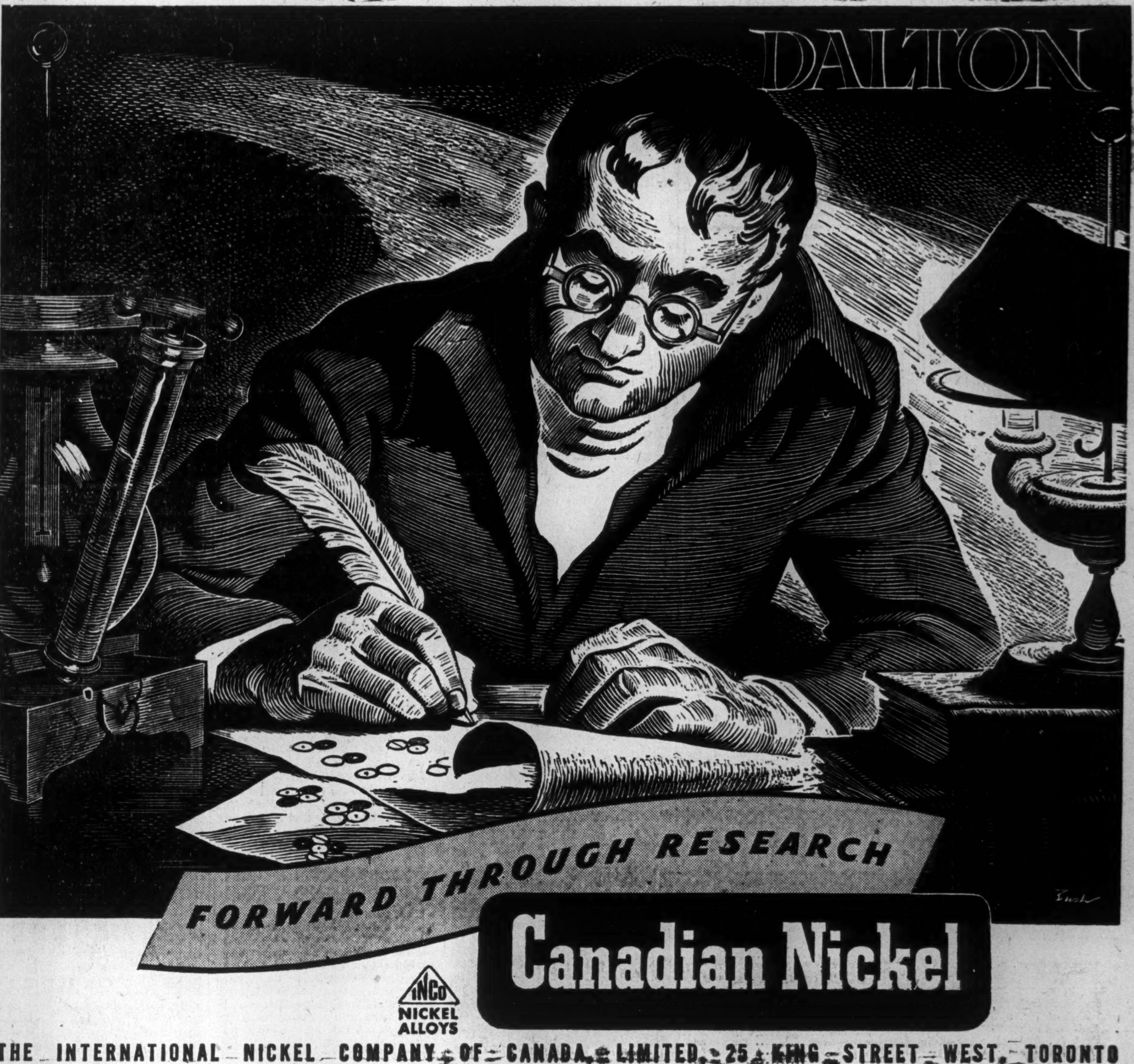
Born to a Quaker family in a little thatched cottage in England in 1766, John Dalton acquired enough education at twelve years of age to start a school of his own. He began to take regular weather readings and was noted for his ability to predict the weather. He studied flowers and insects, optics and color-blindness, and finally decided to make chemistry his life work. He noted the constant proportions in which different elements combine with one another, and finally established the atomic theory in chemistry.

JUST as Dalton's research paved the way for the development of many new and improved materials and products, so research carried out by the Canadian Nickel industry has played its part in developing better materials and products.

Sixty years ago there were practically no uses for Nickel except for Nickel plating, for coinage and for Nickel silver. Today Nickel is required in nearly every industry for making top quality products or for keeping production costs down. The research that has helped to bring this about will be continued in the years to come.

The information collected from the field of metal research by International Nickel scientists is available to Canadian engineers, designers and metallurgists seeking better materials for any product or process.

Research reveals new uses for Nickel. Increased use of Nickel from Canadian mines and plants means employment for Canadians and brings many benefits to Canada.



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Many New Mines Being Financed Even Though Unlisted Mart Slower

While many issues on the big Toronto unlisted mining market appear to have temporarily lost their "bounce" and trading is not at a high level, financing of new mining properties continues on a broad scale, a survey by the Financial Post reveals.

In the first 17 days of September, 13 markets developed in new unlisted mining issues, issues which had not previously been quoted. This compared with 16 new issues for August and the same number for July. Thus on the basis of new issues for which markets have developed, there has been no slackening whatever in September.

Many financing deals, of course, relate to issues already quoted or to issues where a mar'-et for shares is not developed, so that the number of new issues quoted by no means provides the full picture.

Areas which have found particular interest in recent weeks include Red Lake, Indin Lake (Yellowknife), northern Malartic, Chibougamau (including Opawica Lake), Louvicourt-Pershing, Duverny and Porcupine.

Selectivity of buying has been noted in the unlisted market generally—a characteristic which has also been noted on the Toronto Stock Exchange in mining issues.

The marked upward swing of the New York Stock Exchange over past weeks found no counterpart on the Toronto unlisted market but neither has any great disposition been noted to liquidate issues since last week end's break on the New York market.

Many opinions have been expressed as to when a marked upward swing may develop in the Toronto unlisted market, the great "proving ground" for new issues. Agreement is fairly general that the quantity of favorable mining news—by way of important discoveries—will be of great significance.

Many take the view that if the forthcoming budget provides corporations and the public with a "break" on corporate and income taxation, a marked upward swing is still a possibility. Barring such a development, however, many are not too hopeful that the September turn" will develop even in October.

Diamond Drill Footage Showed Substantial Increase in 1944

Reflecting the current boom in diamond drilling, the D.B.S. 1944 report on Canadian contract diamond drilling shows a substantial increase in drill footage completed in 1944 as compared with the previous year.

A total of 34 firms engaged in contract drilling in 1944 completed no less than 3,468,797 ft.—or well over 500 miles—of drilling. This compared with 2,649,708 ft. of drilling in 1943 which itself was a rather active year.

Nearly $5 Millions Income

Income received from drilling by these firms in 1944 was $4,970,247 compared with $3,072,481 indicating an increase in the average income per foot of drilling. This increase reflected the higher cost of drilling an increased footage in the Northwest Territories.

In Ontario, a total of 1,348,813 ft. of drilling was completed in 1944 compared with 1,417,935 ft. for the previous year. There was an upsurge of drilling in Quebec, 1,310,156 ft. of drilling being completed as against 852,801 in 1943.

Wages paid by these drilling firms in 1944 totalled $2.5 millions as compared with $1.5 millions in 1943. Consumption of stones, readyset and castset bits was $810,085 against $638,070.

Equipment owned by the 34 contractors in 1944 comprised 240 air or steam-operated drills, 334 gas driven rigs and three electric drills.

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Eldona Picture More Hopeful

With completion of drill hole No. 57, Eldona Gold Mines now has a possible ore shoot 250 ft. in length with a grade of perhaps $4.50 on $5 a ton for a thickness of about 24 ft., according to Robert MacArthur, resident engineer.

Drill hole No. 57 which is 200 ft. west of hole No. 56 has returned $12 over 8 ft. or $5 over 24 ft. of thickness. Hole No. 57 is combined with holes 56 and 44 to compute the above possible ore length, it is stated.

According to the latest thought, Eldona has possibly an ore body in its sulphide mass lying almost flat or with a slight south dip. How far values may extend down the slope is not known but Mr. MacArthur expresses optimism that values will be picked up to the south on the flat dip beyond a diabase dyke which would intervene. Indications in previous drilling suggest that the dyke has not resulted in displacement of the sulphide mass on the other side, it is stated.

For a time, flat holes were being drilled from north to south to outline character of disposition. However, recently, nearly vertical holes from the south are stated to have given a better grip on the situation and a better pattern for values has been secured.

Drill hole 58 is now being put down to extend, if possible, the occurrence for another 100 ft. to the west of hole 57 and No. 59 hole is also being drilled from the south with the expectation that values will be picked up to the south beyond the dyke.

Hole No. 32, one of the better holes so far secured, is not included in working out the average for the possible ore shoot above as its relation to latest values secured is not demonstrated.

Sherritt Net Moves Higher

Tonnage Milled Declines 2nd Quarter — Plan Drilling

A realized profit of $202,829 before write-offs is reported by Sherritt Gordon Mines for the three months ended June 30, 1945, representing a considerable increase from the $165,702 for the immediately preceding quarter.

Increase is attributable to higher copper sales in the quarter, sales amounting to $899,823 against $690,276.

While earnings were higher, a drop occurred in tonnage, only 165,786 tons being milled in the quarter.

Feel Labor Shortage

Commenting on operations, General Manager E. L. Brown states:

"The drop in the tonnage milled, as compared to the tonnage of the previous quarter, was due to the shortage of underground labor which prevailed throughout the period. For the same reason practically all development work was suspended during the quarter.

"Two prospecting parties are being maintained in the field in the Granville Lake area, where the company has already interesting holdings. A large block of ground has also been staked along the Pineroot River, to the northeast of Schist Lake in the Flin Flon area. Several geological structures in this ground will be explored by diamond drilling.

"At the Josephine mine in the Michipicoten area construction work continued throughout the quarter. Slow deliveries of certain essential equipment, chiefly conveyor equipment, has delayed this program with the result that the production stage will not be reached before the latter part of August."

A total of $238,089 was expended on exploration and participations during the June quarter.

MINING CONCENTRATES

Aubelle Mines advises that payment has been received covering an additional 150,000 shares under June 14 underwriting agreement with Federal Trading and Agency Co., Ltd. Balance of agreement covers an underwriting on 549,995 shares. Issued capital is 2,945,005 shares.

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Bonville Gold Mines reports the completion of holes Nos. 13, 14, 15, 16, 17 and 19 at respective depths of 209, 355, 550, 454, 302 and 300 ft. Hole No. 18 is drilling what is described as favorable structural conditions south of the central zone.

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Belleterre Quebec Mines has purchased $110,900, 3% redeemable bonds of the Town of Belleterre, Que. The issue was dated March 1, 1945, and $90,000 mature from 1947 to 1958 and $20,900 from 1947 to 1957. Proceeds are to be used for laying of sewers and to purchase the electrical system.

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Dyke Lake Gold Mines has been incorporated under Ontario laws with three million shares authorized capital to develop a group of 26 claims adjacent to Indian Lake Gold Mines, Indin Lake area, Yellowknife district. Directors are Frederick Reid, president; T. J. Day, vice-president; Wm. McKee, secretary-treasurer, E. McLean and A. T. Constable.

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Goldora Gold Mines advises that drill hole No. 42 was completed at 1,200 ft. after showing numerous gold-bearing sections. Hole No. 46, exploring the southern contact of the main diorite dyke, was completed at 715 ft. after intersecting a mineralized zone at the contact.

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Kencour Gold Mines advises that diamond drill hole No. 7 picked up the extension of the copper-zinc zone located in hole No. 6, some 60 ft. to the west. One section of 1.2 ft. at 70.9 ft. assayed 4.50% zinc. A new section which occurred between 373.0 and 407.3 ft. was reported to be highly mineralized with copper and iron sulphides and some zinc.

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LaSalle Yellowknife Gold Mines reports the discovery of a new quartz vein on the Bruce No. 2 claim lying on the northwest section of the property. The vein has been stripped for a length of 75 ft. with both ends open, it is reported. A 2,000-ft. hole has been spotted 200 ft. east of the original high-grade discovery and is designed to test the possibilities of ore deposition below Winter Lake.

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Homer Yellowknife Mines advises that current installment, comprising option on 200,000 shares at 25c. a share under terms of June 16, 1944, underwriting and option agreement with Sukay Corp., Ltd., has been extended to Oct. 1. All subsequent installments have been extended for a similar period.

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Mate Yellowknife Gold Mines announces the purchase of the Avis group of 12 claims in the Indin Lake area, Yellowknife district. Diamond drilling is to start immediately to test two shears reported to have been located on the property.

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Obalski Mining Corp. shareholders' meeting called to approve sale of two properties in the Chibougamau area, Que., has been postponed. The proposed plan calls for the sale of Cache Bay claims to a 3.5 million share company, of which 60% of treasury stock would go to Obalski, and the sale of Portage Island property to a new company for a cash consideration and a minimum of 25% of its treasury stock. Current assets as at March 31, 1945, amounted to $4,624 and current liabilities totalled $19,056.

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Quebec Dept. of Mines reports gold production of 55,392 oz. in June, 1945, compared with 62,796 oz. in the similar month of the previous year. Output for the six months ended June, 1945, totalled 356,765 oz. as against 402,283 oz. for the comparable period of 1944. Silver production in June, 1945, was 176,672 oz. as compared with 162,203 oz. the previous year.

• • •

Sannorm Mines advises that diamond drilling has started on its Central Manitoba property which lies to the east and north of San Antonio. Drills have penetrated to a depth of several hundred feet and are spotted to intersect mineralized showings of a recent Koulomzine geophysical survey.

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A new map of the Red Lake Mining Area will be mailed on request.

No study of risk in the realm of finance would be complete without reference to Insurance, not to raise a question of the soundness or worth of that great institution, but to draw attention to something as interesting as the atomic bomb.

Both draw their power from comparable atoms. Several centuries ago a group of men had a vision based on the monetary risks involved in speculating on the life-span of a man, a minute atom of human society, or on a ship, braving the hazards of the seas.

The first and paramount need was a measure of risk appraisal, and, over the centuries, experience and study have produced a yard-stick of such accuracy that it is possible for a modern Insurance company to say with complete confidence, that a given dollar guarantees the protection and benefits described in the policy.

The connection between insurance and mining may seem very remote, but to both, the problems of risk appraisal are of great importance.

When Canadian mining, in the first years of this century, started its career of phenomenal progress it had few known factors to serve as guides for the mine-finder or investor, but as time went on, knowledge was accumulated and subjected to intense study, aided by scientific instruments. Out of this came a 'yard-stick' of sufficient usefulness that the more experienced prospectors and engineers are able to reach the goal of discovery more swiftly and accurately. Investors who are outstandingly successful are usually associated with, or deal with those who know how to use the 'yard-stick' to best advantage.

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Hope for Adjustments on Building Materials As Ottawa Hears Industry Views on Control

(See also pages 1, 2 and 3)

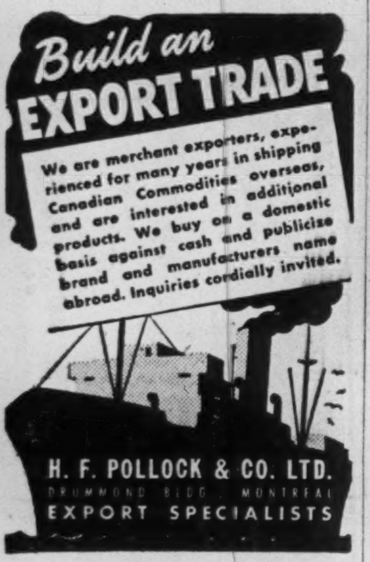
"Piling" Materials Is Calgary Plaint

From Our Own Correspondent

CALGARY—Plumbing contractors meeting here on Saturday protested Ottawa's current rationing of plumbing fixtures on a priority basis for veterans and suggested such supplies be made available to all alike since every house built meant more room for everybody, veterans included.

Calgary Builders Exchange has sent several letters of protest against wartime controls on lumber and other building materials, asking that all such materials be released in the normal way through usual channels. Latest is a letter to three Calgary M.P.'s, Calgary East, Calgary West and Bow River, alleging and protesting stockpiling of materials for government housing projects "far ahead of requirements." Calgary builders maintain that government priority purchases are stripping the market almost completely of necessary materials, causing many houses in Calgary—"half of them" for veterans—to stand unfinished.

Lieutenant Commander D. R. Dattels, who after five and a half years service with the Royal Canadian and Royal Navy, has rejoined the firm of W. R. Bricker & Co.



Winnipeg Builders, Plumbers Protest

From Our Own Correspondent

WINNIPEG — A near-desperate situation has developed in privately sponsored house building which has slowed to a walk because of shortage of supplies. The bad feature of it is, say local construction men, that there is no apparent sign of early relief, unless there is a quick relaxing of present controls.

By actual count there are well over 800 houses in various stages of construction in Greater Winnipeg by private builders. All of them could be occupied by the end of the year if materials were available and at least 40% could be finished within a month, the builders say. Together with those under construction by Wartime Housing Ltd. and those being built under the Veterans' Land Act, there could be a substantial easing of the present housing famine.

There are 350 newly-constructed houses that would be ready for occupancy if they had toilets, sinks, water basins, bathtubs and other plumbing installations. Owners of some of them have moved in without these essentials.

Plumbers Protest

Sixty members of the Manitoba section of the National Association of Master Plumbing & Heating Contractors met on Friday night and passed a resolution protesting "the hold-back of plumbing supplies not immediately needed for government projects." Some could be released immediately for civilian use, they said, and give immediate housing accommodation to 1,500 persons.

Their particular complaint was that there is now in Winnipeg stockpiles of material for more than enough to supply these houses and which can't reasonably be needed for government projects for at least 90 days.

Pressing immediate needs of plumbing shops in Winnipeg were listed as 383 bathtubs, 479 water basins, 339 sinks, 486 toilets, 422 hot water tanks, and 80 laundry tubs. They could be installed at once, the contractors say.

On top of the 350 houses practically completed there are 230 others with rough plumbing work done but no cast iron soil pipe to connect them up with the street sewer. There are stock piles of this, the builders say, which could also be released.

"Whole Thing is Turmoil"

Said one Winnipeg operator: "Many of the houses are being built under the National Housing Act. Holders of the mortgages, forced to play safe in paying out the money, are holding back on releasing it until the houses are completed. Thus owners can't get their money, can't pay their contractors, the latter can't keep on paying their workmen, and the whole thing is turmoil."

Less than a month ago the Winnipeg Home Builders' Association called in representatives of building supply houses, lumber dealers, wallboard manufacturers, electrical contractors, manufacturers of soil pipe and fittings, plumbers, and manufacturers of furnaces, to estimate supplies of materials available for home construction.

The Association found the supply was far short of immediate requirements. Its members did not charge that shortages were caused by materials being held in reserve for priority projects but it did say that pressure on the supply houses was directing materials to government priority projects and private builders had no chance to get them. A drive is now being made to give houses now under construction enough material to complete them but there is no present sign it will be successful.

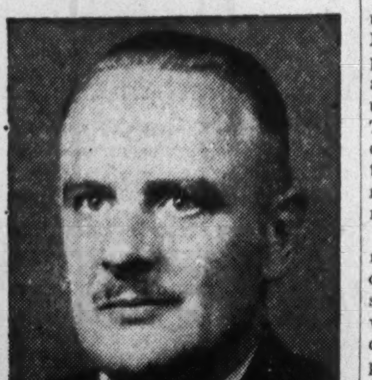
So far as lumber is concerned the situation is nothing short of desperate. A statement less than a month ago from a WPTB spokesman that there was no stockpiling of lumber supplies by Wartime Housing Ltd., has been termed wholly misleading by the Western Retail Lumbermen's Association.

Although technically there may be no stockpiling, the Association said, there is what amounts to the same thing, all of it being done under government order. Government agencies have already placed orders with door, millwork, wallboard manufacturers and lumber mills, in such volume that their entire manufacturing capacities are booked up for months ahead. These orders, the Association said, are accompanied by a blunt warning that they must be given top priority over present or future orders.

One firm has its output spoken for for under these instructions until Nov., 1946, it is stated.

Stockpiling of lumber "is very certainly being done" in connection with the Veterans' Land Act, it is stated. Contracts with many of the lumber firms here have stipulated that they pile the materials in their yards awaiting use by the Soldiers' Settlement Board. Much of it has been piled up during the spring and summer, the dealers advise.

Between 22 and 30% of the homes now being built in Winnipeg are said to be for returned men. In cities and smaller towns outside Winnipeg many of the applications for building supplies are from returned men going back to the farm. There are scores of homes under construction, occupancy of which is being held up, because the owners can't get doors, flooring, and other essential items, it is stated. One small western town is cited where 14 houses are being built. To finish them there are needed 50 doors, about 15,000 feet of flooring, and some other materials. A half carload shipment would complete them and give housing accommodation for between 50 and 70 persons. None of them can be occupied because the builders can't get the needed materials, it is stated.



Mr. H. J. Stambaugh, President, announces the appointment of Mr. M. S. Sutherland as Controller of Burlington Steel Company Limited. Graduating from R. M. C., Kingston in 1929, Mr. Sutherland joined the staff of Price, Waterhouse & Company, Toronto, where he served until obtaining leave of absence to join the R.C.A.F. in June, 1940, acting in an administrative capacity until March, 1945. Mr. Sutherland obtained his C.A. degree in 1937.

Asks Higher Priorities For General Building

National Joint Conference Board on construction labor at its regular meeting in Ottawa recently, asked federal authorities not to let priorities for housing interfere unduly with commercial and industrial projects. Suggestion was that unduly high priorities for housing would tend to:

Limit and delay jobs for those for whom the housing is designed;

Dislocate the construction industry by failing to make use of manufacturing plants which produce construction materials not required for housing;

Delay housing units already under way in favor of launching new ones.

The construction labor board commended Ottawa's action in establishing the Industrial Selection & Release Boards, but urged renewed vigor in its operation to speed and simplify release (or leave without pay) of trained construction personnel still in the armed forces.

Regina Plumbers Wire Their MP's

From Our Own Correspondent

REGINA—Members of Sask. unit, Plumbers and Heating Contractors National Association of Master Plumbers and Heating Contractors, last week wired their MP's at Ottawa protesting the WPTB order inaugurating a distribution plan for plumbing materials designed to facilitate home construction for veterans, despite the fact that the WPTB order remained in effect only a few hours.

Jack White, Saskatchewan president, said plumbers believed this lifting of the order to be only temporary.

Saskatchewan lumber dealers, while making no group protest against lumber distribution conditions are expressing dissatisfaction with the present setup.

They claim Wartime Housing is grabbing off building materials, thus causing a shortage for the private house builder. Also claimed is that houses being built under this rental housing program is satisfying only a few veterans in urban centres, while doing nothing for veterans living in the smaller towns and causing veterans in the small centres to move into the cities and thus bringing greater congestion in the big urban areas.

Edmonton Is Hit By Mason Strike

From Our Own Correspondent

EDMONTON—A three-weeks-old strike of bricklayers and attendant difficulties highlight the Edmonton building scene. The bricklayers are demanding that their members receive board and room on jobs that take them more than 10 miles beyond the city limits unless transportation is provided.

The bricklayers union has been advised that unless a settlement is reached concrete chimneys will be installed in a Wartime Housing project now in process. Same action is being considered by Veterans Land Act officials who have 120 houses under construction.

The Canadian Legion here has asked Ottawa to issue necessary instructions to give veterans building their own homes priority in securing materials. There are numerous houses in Edmonton only partially completed because of lack of building and plumbing materials.

At the Legion meeting it was charged that there is faulty distribution of available materials.

Suggestion was made that a big unused RCAF station at Penhold be stripped and the materials used in Edmonton. It was claimed 500 houses could be finished with this material.

Higher Output Of Newsprint

MONTREAL (Staff) — Canadian newsprint mills, operating at 74.7% of capacity, produced in August 287,028 tons against 270,640 tons in July and 262,695 tons in August, 1944, while shipments amounted to 304,114 tons against 282,065 tons and 274,706. Canadian newsprint production for first eight months of 1945 totalled 2,102,181 tons against 1,987,540 tons in corresponding 1944 period, and shipments 2,089,541 tons against 1,994,493 tons.

Apparent total consumption of newsprint in the United States in August totalled 289,873 tons against 254,150 tons month before and 251,630 tons year before, while U. S. consumption for first eight months of 1945 was 2,294,879 tons against 2,104,582 in like 1944 period.

Stocks of U. S. consumers at end of August totalled 455,161 tons against 445,346 tons at end of July, 526,809 tons at end of August, 1944, stocks of North American manufacturers 121,204 tons against 145,637 and 117,698, apparent total North American stocks 576,365 tons against 590,983 and 644,507.

Taxes Raised For C. I. P.

MONTREAL (Staff)—The Gatineau Mills' village council has decided to increase the assessment for tax purposes on the Gatineau Mills properties of Canadian International Paper Co. to $4 millions from the present $35,000 assessment. The company has 30 days in which to appeal the new valuation.

Canadian International has been paying $6,000 taxes to the municipal corporation under an agreement made between the company and the municipality 20 years ago and which expires July 1, 1946.

Canadian International is adding a new plywood mill and a new sulphite mill to its plant at a cost of $2,500,000, with work scheduled for completion by the end of the year.

The municipality is preparing to go ahead with expenditure of $25,000 on a new waterworks and sewage disposal plant.

Cotton textile mill operations in Canada in August, as measured by bale openings, showed sharp gain over preceding month. Bale openings totalled 29,801 last month against 24,831 in July and 30,338 in August, 1944. Index number (1935-39 equals 100) was 117.2 against 99 the month before and 119.5 the year before.

LONDON CALLING — BY ADELPHI

Unions, Co-ops Demand Voice in Framing Policy

LONDON (By Cable)—Poor Attlee is suffering from the same complaint as Joan of Arc; he is hearing too many voices. Trade unions demand they should be consulted on both domestic and foreign policy. This has been followed by demand of co-operative societies, who have many representatives in Parliament, that they also be heard. Now the newspapers which supported the Socialists are saying Attlee should speak more often in guidance of the nation. Attlee countered by declaring his intention of leaving the ministers to do their own jobs. There is the classic example of an extremely successful Dominion prime minister who allows his ministers the limelight, but over here we are feeling an oratorical vacuum now that Churchill is gone. His eloquence was like the searchlight of a locomotive, lighting up dark places everywhere across the countryside.

* * *

Chief topic of conversation everywhere is demobilization. MP's tell me that judging by their post bags every soldier, airman and sailor overseas has a job or family business waiting for him and no one to run it. The whole thing is blowing up into a political crisis of considerable magnitude.

There is a general desire not to embarrass the Government and to give Attlee every chance. But the Socialists were rather too lavish with election promises and their more gullible supporters are asking when the promised Utopia will appear. Political experts—who are right as often as most experts—give the Government two years. Then, they think, there will be a new national coalition. This might easily happen but if the Socialists have to call in the Tories to save them again as in 1931 it will end their power for many years. Disraeli said the best Parliamentary repartee is a majority. Attlee might well say the deepest embarrassment to government is having too big a majority. Those sincere but inexperienced Utopians on the Government back benches will be hard to hold together once the first thrill of Parliamentary life has passed and they see their dreams failing to come true.

* * *

Beaverbrook, who is as difficult to keep out of these notes as King Charles' head, is beating the Empire drum harder than ever. In The Sunday Express he gave a closely reasoned description of Empire economic unity during the war and argued that such unity could easily be continued in peace. In Monday's Daily Express he republished the article.

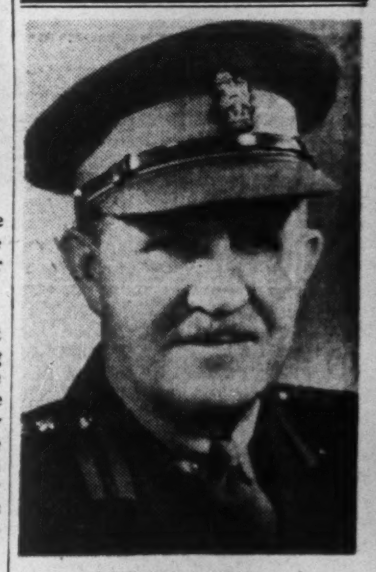
* * *

London stopped grumbling for a few hours last Sunday to celebrate the fifth anniversary of the last day of the Battle of Britain, when Goering sent his final desperate daylight assault against London. Once more a few pilots who had survived took to the air and swept through London's skies while the people waved greetings and the newspapers paid tribute to that gallant band of youngsters who saved not only Britain but civilization.

It would have been fitting to bring Goering over for the day but perhaps no one thought of it. Yet London cheered up and even the sun came out for a few minutes. Rather ungraciously, Beaverbrook was not included in the general congratulations yet without his dynamic, violent and unorthodox drive to increase airplane output that attack on London five years ago might have begun the end of Britain's organized resistance.

On Monday the British cheered up some more when the railways announced that by Christmas there would be almost normal services again. Pullman, restaurant and sleeping cars are to reappear and it would seem that travelling will soon cease to be a nightmare.

There has also been both gaiety and chagrin over publication of the Gestapo's list of prominent people who were to be arrested when Germany invaded Britain. Those omitted are furious and those on the list are smug as prize winners at a school closing. After all that has been written about the Cliveden set and its hospitality toward Ribbentrop, Lady Astor must have been specially pleased to learn she was listed for a concentration camp.



COL. F. S. MILLIGAN

Who for the past five years has been serving with the Royal Canadian Engineers, has returned to the firm of F. S. Milligan & Company, Engineers and Constructors.

To The Travelling Public:

Hotel London

London, Ontario

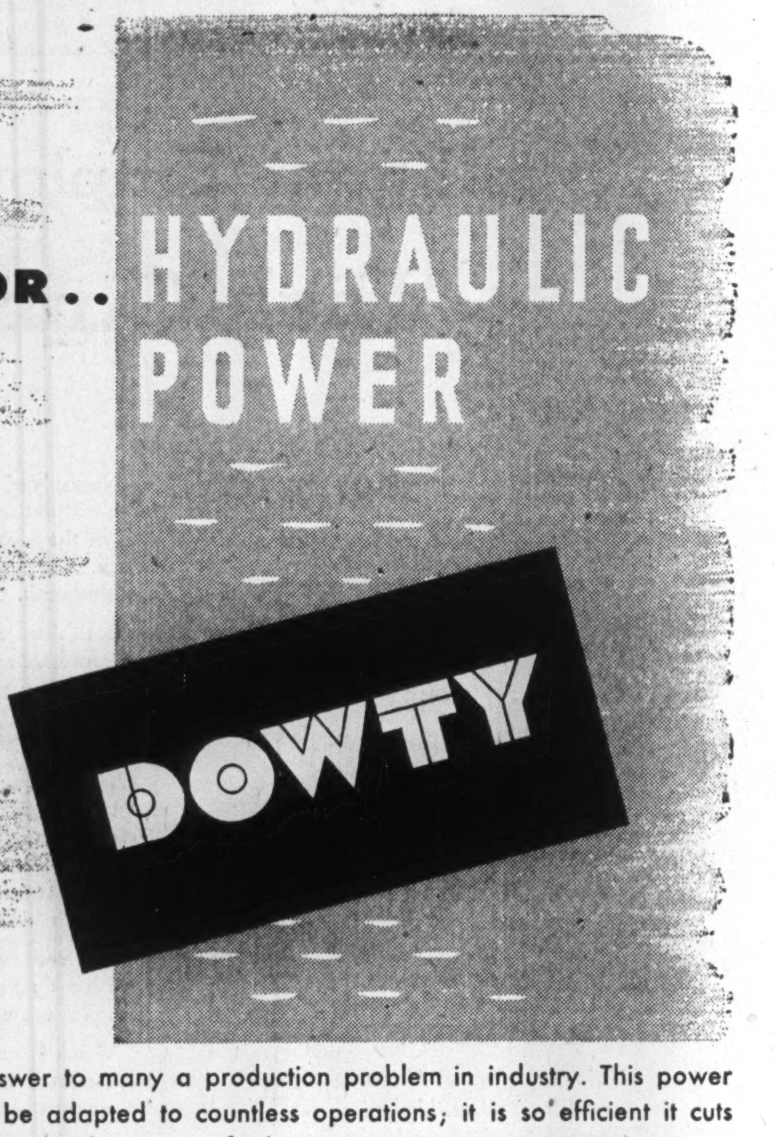
Rates for Rooms as Follows:—

Single room without bath, $2.75; running water and toilet.
Single room with shower, $3.00.
Single room with bath, $3.50.
Single room with tub and shower combination, $4.00.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $5.00.
Double room with tub and shower combination, $5.50.
Twin bedrooms, with tub and shower combination, $6.00.

Soliciting your appreciated patronage.

H. F. STRUCKETT, Manager

IF IT'S A JOB FOR..



IT'S A JOB FOR

Hydraulic power is the answer to many a production problem in industry. This power medium is so flexible it can be adapted to countless operations; it is so efficient it cuts costs and speeds production in a wide variety of jobs.

DOWTY has pioneered in hydraulics for twelve years; DOWTY hydraulic equipment is known throughout the world for its advanced design and fine performance. At present all our output is being used for war purposes, but when peace comes DOWTY hydraulic equipment will be available for many industrial needs.

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DOWTY EQUIPMENT (CANADA) LIMITED
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It is expected that a great flow of interesting new products will soon be coming into the market from small plants and large plants all across the country . . . from manufacturers who have been doing a great job in war production, from ex-service personnel who are starting up in business making goods here or acting as agents for goods from other countries.

Simpson's extends a cordial invitation to ALL those with new products to introduce, to write or call upon us at any time. They will find this company, with its five fine stores and great mail order division, ever ready to co-operate in the marketing of desirable new products that will have interest for our customers.

IN TORONTO—address
J. C. Clemes
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L. Gingerick
Merchandise Manager, Montreal Store

IN REGINA—address
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THE ROBERT SIMPSON COMPANY LIMITED

operating retail stores in Toronto, Montreal, London, Halifax and Regina and Mail Order divisions in Toronto, Regina and Halifax.

The Financial Post

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Pulp and Paper Industry Steps Into the Lead In Meeting Problems of Reconversion Period

By DWIGHT MOODY

At no time in its long history has Canada's vast pulp and paper industry had a more significant economic role than to-day. Nor has the industry ever been better prepared for its task.

Two basic factors endow this industry with major significance in the reconversion period:

It has no reconversion problem itself.

It has a ready market for more than it is currently producing.

That means that instead of laying off workers while plants retool, the pulp and paper industry is aggressively bidding for more men, in the woods, in the mills and along the supply lines that connect the two. The sole obstacle to boosting employment immediately by perhaps 50% is the fact that the industry must work on the pulpwood cut last year and the year before, cannot expand mill operations until this winter's cut of wood is available. (See article, p. 11A), and even this bottleneck only means that there will be an abnormally high proportion of wood jobs offered this winter.

What is perhaps most significant is that the 140,000 jobs that the industry will offer this winter (some estimates place the total at 160,000) will be stable jobs, productive jobs, and jobs many of which are in the areas where the reconversion of other industries, such as aircraft and aluminum, are creating some of the most critical employment problems. British Columbia, Ontario, Quebec and the Maritimes, now most in need of new jobs for exwarworkers, are the areas where pulp and paper is able to provide work most rapidly.

Behind this present strength lies, of course, the great financial and technical strength built up during the war years.

Had Leading Role in War

During the war, this "non-war" industry played a leading role. When Scandinavian countries were cut off as a source of pulp supply, Canada, despite wartime conditions and difficulties, upped its pulpwood production by more than 30%, increased pulpwood output by nearly 90% and pulp exports by nearly 300%, made 14% more newsprint than in the period immediately preceding the war.

Canada has been providing some 75% of the U. S. newsprint supply, the bulk of newsprint needs of British and Latin American countries. Thus, Canada's newsprint mills have kept alive the free press of the democracies.

Substituted for Metals

As metal and other material shortages developed, the United Nations turned to the Canadian pulp and paper industry to help out with substitutes. Research work was stepped up sharply, and pulp and paper were soon found as essential component parts of small arms, ammunition and shells, sea and land mines, radio receiving, transmitting and locater sets, submarine detector apparatus, gas masks, while pulp products developed into wide use, in place of metals, for packaging small arms ammunition, gun barrels, ordnance parts, machined parts, blood plasma and innumerable other war uses.

Waterproof paper was used to protect against rust and corrosion, insect-proof paper packaged food and medicines, building boards made possible quick erection of numerous buildings for war purposes, newsprint and book papers were used for propaganda pamphlets, for newspapers for the armed forces, Canadian newsprint, rushed overseas, made possible revival of a free press in countries that long had been held under enemy domination.

Prices Held Low

During the war the industry has kept prices down with considerable success. The 1938 newsprint price level of $50, for instance, was maintained until March 1, 1943. Such upward price adjustments as have been made (usually at the instance of U. S. producers) have not kept pace with cost increases. As result of price policy, plus co-operation in every way with governmental authorities and customers, the industry has greatly strengthened that highly valuable asset—goodwill.

Looking to the future, the Canadian pulp and paper industry has certain very definite advantages —and also some problems.

An important asset is the large area of accessible forest wealth that can be drawn upon. Accessible forest land in the Dominion is exceeded only by that of the U.S.S.R. and Brazil. Canada's productive forests comprise over three quarters of a million square miles and of this total 430,000 square miles are classed as "accessible." Actually, as new roads are opened up into the wilderness, methods of transport improved, much of what is now considered inaccessible forest may well become "accessible."

Ample Low-Cost Power

Another important asset is Canada's tremendous low-cost waterpower resources. In hydro-electric power Canada ranks as the second nation in the world. No other newsprint mills in the world are so well situated today as regards low-cost power resources as the Canadian mills.

Mill capacity and location of Canada's industry are favorable. In newsprint machine capacity, Canada has four times the rating of the next largest producing country, in pulp production Canada is second only to the United States. Canada's mills are located on both the Atlantic and Pacific seaboards, and thus in a preferred position to make deliveries to overseas countries as well as to the important United States market.

One of the biggest problems is the rapid depletion of Canada's forest resources, from fire and insect damage as well as use. The Dominion Bureau of Statistics has estimated that during the 10 years immediately preceding the war, average annual rate of depletion of reserves of merchantable timber was 3,623 million cubic feet. Of this total, 70% was used and 30% lost through forest fires and other destructive agencies. The latter 30% was lost irretrievably, and not a penny benefit was received by Canada from such depletion.

Insects Biggest Enemy

Unfortunately, when fire sweeps forest land it destroys also the thin humus, leaving land that is no longer fit to nurture trees or any other useful growth. Fire takes 11% of annual depletion of Canada's standing timber.

The most destructive enemy of Canada's forests is insect infestation and disease. The bud worm alone is now active in 45,000 square miles of forests with 15,000 square miles already destroyed.

To halt this encroaching loss into Canada's forest wealth, co-operative measures by various governments with the industry are important. Fortunately provincial governments as well as the Dominion Government have been showing increasing awareness to the necessity of co-operation and more adequate measures to deal with this threat to Canada's economic life.

Most of the forest lands are Crown lands. Some 135,000 square miles are leased to pulp and paper companies, about 37,000 square miles to saw timber companies, with only 53,000 square miles held in fee simple and these mostly in the Maritime provinces. The Dominion and Provincial Governments hold some 170,000 square miles in parks and reserves.

Careful Cutting Important

Canada has lagged far behind Europe in scientific reforestation. Any measure which assists a forest to re-establish itself after cutting, fire or insect damage is reforestation. Tree planting has been used with success in some sections, but care in harvesting the wood so that nature will have an opportunity to grow another crop is highly important, and can be applied generally.

The importance of forest wealth conservation is indicated in the fact that gross value of wood and paper products in Canada in 1943 (latest figures available) exceeded $1 billion ($1,001,563,243). This group of industries paid out $447,4 millions for materials, nearly $200 million in wages, over $68 million in salaries.

Gross value of pulp and paper products alone in 1944 totalled nearly $370 million, with close to $158 million paid for materials and supplies, $37.4 million for fuel and electricity, nearly $76 million for salaries and wages.

No Marketing Problems

As regards marketing, governmental authorities as well as the trade anticipate that there will be a market for all the pulp and paper Canada can produce for the next several years, that it will take at least that long before world shortages can be met and adequate reserves built up.

Chief competitors to Canada in world markets have been the Scandinavian countries. Finland's production is committed to Russia, it will be some time yet before Norway can be back as an important exporter, and transport shortages are delaying re-entry of Swedish pulp and paper on a maximum scale.

The Scandinavian countries can only produce limited amounts of pulp and paper for world markets in any case, under their present policies of control of forest depletion.

For newsprint there is expected to be increased demand, as industrial companies generally seek to market output of expanded plant facilities to civilian users, now that war orders have ceased.

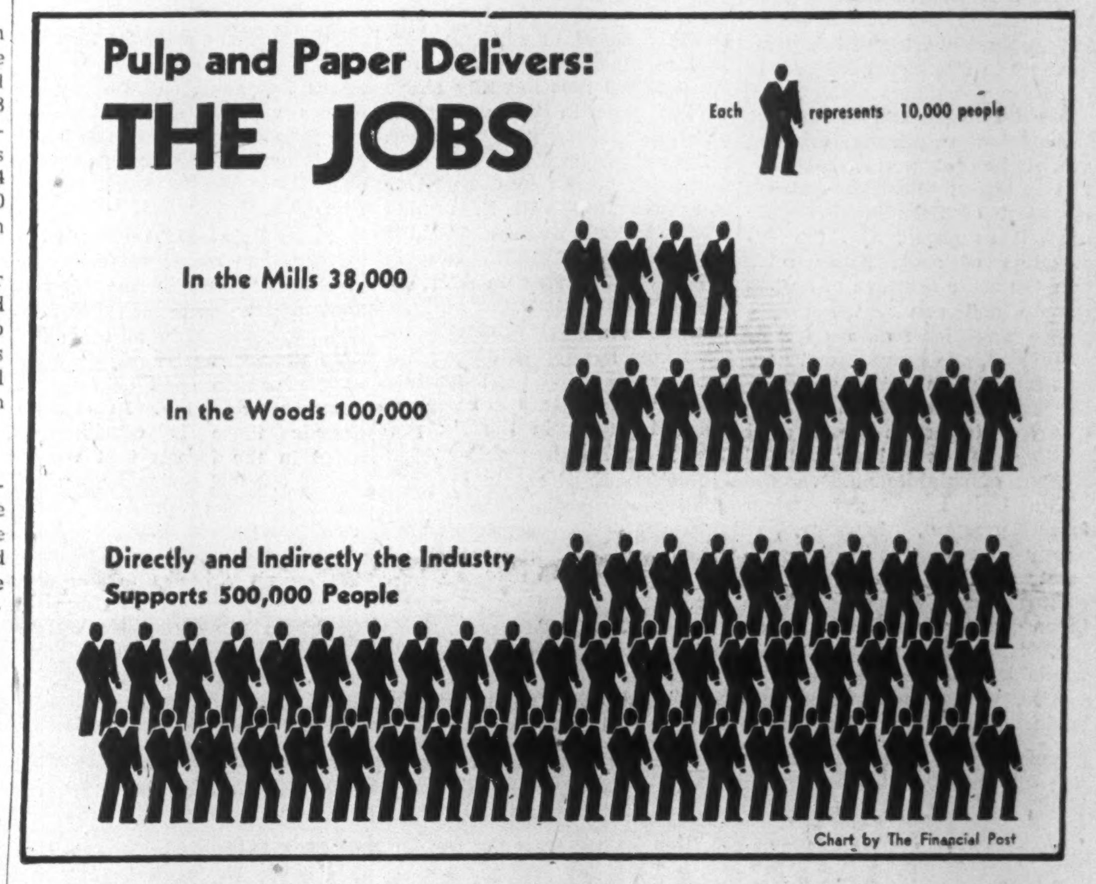
Main threat to Canadian newsprint producers is that when once shortages are made up, Canada may have to face state-subsidized competition from other countries. Recently, there have been discussions with governmental authorities on the possibility of international commodity agreements, similar to those entered into by nations of the world, including the United States, for such commodities as oil and sugar. Purpose would be to assure to consumers constant and stable supplies, to producers steady markets at a profitable price.

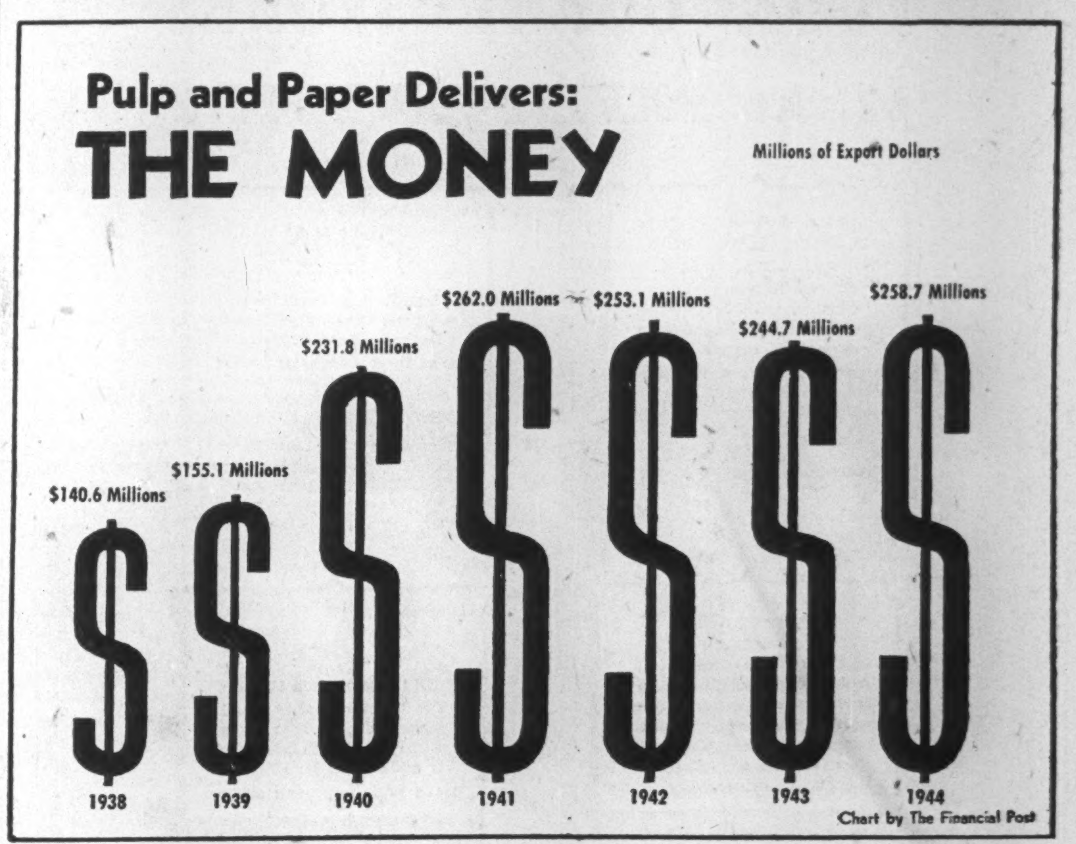
Despite the fact that prior to the war there was surplus capacity in pulp and paper, and during the war pulp production facilities have been expanded considerably, the U. S. Dept. of Commerce stated: "In future years increased wood pulp production in terms of millions of tons will be needed."

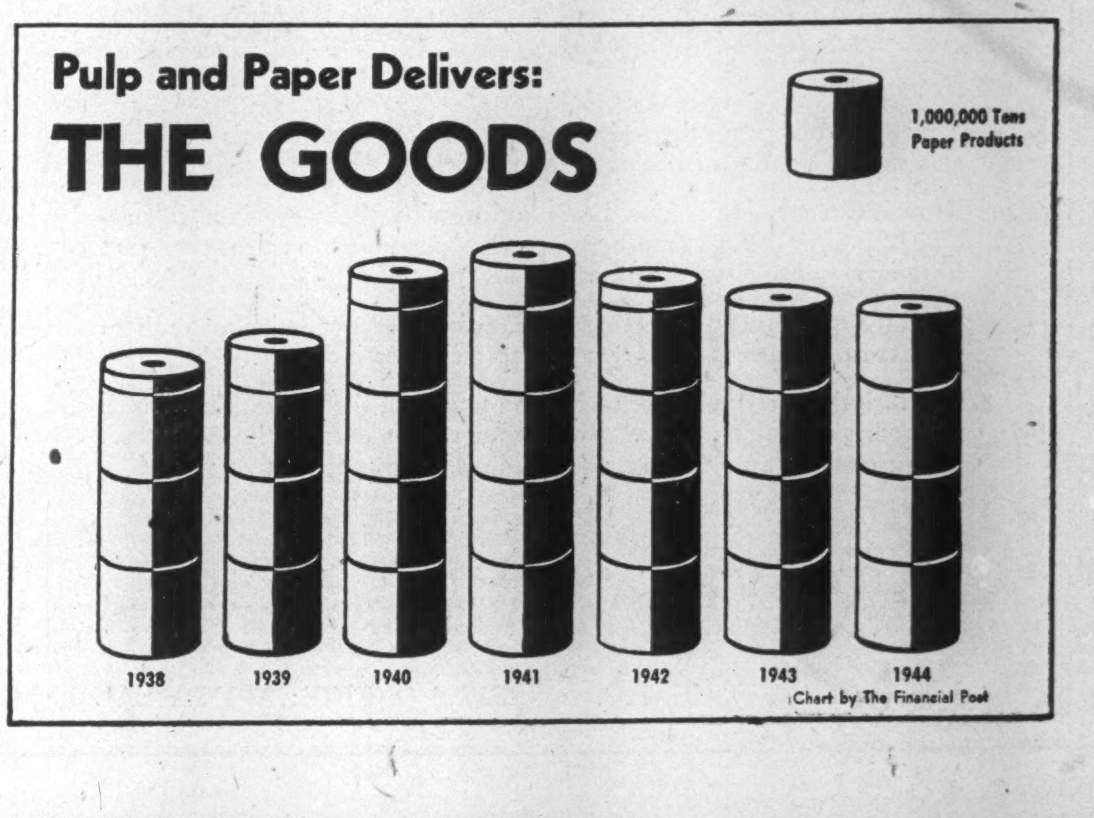
One reason has been widening of uses for pulp, partly a result of wartime research. This development is dealt with in another story on this page.

The pulp and paper industry in Canada has come a long way since the first pulp mill was built in the Dominion, in 1866. The industry itself is young—paper made from wood is a product of the last century and the real growth of the paper industry has occurred in the last 50 years. The last few years have indicated that the industry may be just beginning to find itself, that demand for products made from woodpulp and paper may well increase greatly from anything known hitherto.

Given sane and intelligent government co-operation, Canada's industry should be in the forefront in future development. Certainly no other country is more favored in the way of natural advantages.







New Products, Wider Markets and Lower Costs Result from Pulp and Paper Firms' Research

The war has brought home to Canada's pulp and paper industry an important lesson—the importance and value of research.

During the last few years more progress has been made in development and perfection of new processes and products from woodpulp (and from the chemicals and compounds in pulp and paper making) than in previous several decades.

The war gave an impetus to research, as new products, and substitutes for metals and other materials in short supply, were needed in a hurry, irrespective of initial cost. The pulp and paper companies were called upon to help, and encouragement was given to research work.

One result was development and improvement of many new products for war use. Another important result, to the pulp and paper industry, was that the fruits of their wartime research efforts can be used profitably, in development of new products for civilian consumption.

At present, most leading pulp and paper companies have research departments, which plan to continue or expand. Other companies are preparing to set up research departments. Primary research has been, and is being, done in the Government laboratories at Ottawa and in the research department maintained by the Canadian Pulp & Paper Association. The perfection, and putting to commercial use, of the preliminary findings is then up to any pulp and paper company which wants to spend the necessary money for such work.

Utilization of pulp for making products of little resemblance to paper is not new. The industry has sold pulp to outside companies for years for manufacture of such varied products as rayon for dresses, motor car paints, baker's yeast, etc. Even sulphite waste liquor has been marketed in Canada in a dry powder form, packed in paper bags.

But the pulp and paper companies, previous to the war, had not gone very far in production of products other than paper, though there have been exceptions—such as marketing of vanillin (base material for vanilla flavoring) by Howard Smith.

A few pulp and paper companies already have started to market wartime-declared products, that had value in the war. For instance, Howard Smith, in addition to making vanillin from waste sulphite liquor, is now producing plastic sheets (made from the small lignins taken from sulphite liquor), which can be used as a low-cost substitute for metals, for certain purposes.

Alcohol From Waste

Several other companies are now producing, or are about to produce, from sulphite liquor, alcohol that has been used for making synthetic rubber in wartime, but which can, it is said, be produced economically for non-war purposes—as economically as alcohol from molasses.

In most cases, however, commercial exploitation by pulp and paper companies of newly perfected processes and products has been awaiting end of the war. Several leading pulp and paper companies have revealed that they have a number of new products that they may market—choice depending on what the apparent field may be, how severe competition may be, now that the war is over.

One advantage of wood as a fibrous material for making paper is its cheapness. Another advantage is its abundance. Any substituting material, to compete, would have to be produced with a minimum of care and labor, and its utilization would have to be simple and inexpensive. No such material has yet appeared.

In the manufacture of paper, the wood fibres are mechanically ground to make pulp for newsprint, treated with chemicals to make better grades of paper. In making rayon silk, another fast-developing product, wood cellulose, is first dissolved in chemicals, and, when extruded into an acid bath from fine holes in a "spinneret," rayon yarn is produced, and when extruded from a narrow slit or "slice," a sheet of "Cellophane" is formed.

Opportunity In Plastics

The chemical residue, after wood is treated chemically to make quality papers, has been discarded in the past, to pollute Canada's rivers. It is from this waste liquor that alcohol, yeast, plastics, are now being made. Obviously, as the material is a waste byproduct in paper manufacture, the only problem in working with the waste liquor is to find economical chemical processes to extract needed components for new commercial products.

In general, recent research has been in two main directions in development of new products. The first is utilization of pulp and paper as a cheap base for direct chemical processing into other products. Rayon and pulp-based plastics are a few of the products, from dissolving of pulp, that appear to have vast potentialities.

Another direction which research has taken is the use of pulp or paper itself, either processed mechanically or combined with some other product. For instance, papers coated with various chemical substances are now being used as building papers, roofing shingles, waterproof containers, imitation leather, insulation materials, etc.

Big Advance In Packaging

An indication of the possibilities in this direction has been provided by new war uses. While it is true that, in many uses, treated papers, even though relatively cheap, will again be replaced by metals and other materials better suited for certain purposes, the new chemical processes used with paper appear to offer limitless possibilities.

For instance, wartime-developed laminated papers have zero water vapor permeability, are completely grease proof and have high mechanical strength and durability. Developments in new packaging materials have been truly sensational.

Another instance is a chemically treated paper (used in the war for maps) that can be mauled in machines, rubbed in grease and mud and subjected to other abuses seldom met with in ordinary use, and still remain usable.

Stronger Than Steel

A laminated sheet of reclaimed fibre, used by the U. S. Ordnance Dept. as a substitute for steel bands, has an impact strength exceeding sheets designed of steel —and has saved the U. S. in the war over 50,000 tons of steel yearly.

Partly due to shortages and deferred demands, partly due to new uses, it has been estimated by the U. S. Commerce Dept. that postwar civilian paper consumption in the United States will be approximately five million tons a year greater than in prewar years, and U. S. wood pulp consumption needs will be about four million tons in excess of pre-war consuming levels. With consumption needs of overseas countries expected to rise, the U. S. governmental department forecasts that in future years increased wood pulp production in terms of millions of tons will be needed.

If this expectation on consumer needs proves correct, Canada is in an exceptionally favored position to benefit.

Research is constantly being expanded to develop new products, and old processes are rechecked for possible improvement or simplification. Operation of special pulp-handling equipment like this bank of faucets is continually under study by technicians.

More Newsprint for North American Customers In Prospect as Supplies, Production Increase

Canadian newsprint mills, which have been the main source of supply for the United Nations, and the means of keeping alive a free press in the democracies, during the war, now face prospects of steadily increasing production, and revenues.

The wood cut achieved in Canadian forests this past winter was considerably better than in immediately previous cutting seasons, but North American newsprint users have received very limited benefit. One reason was the increased diversion of wood to manufacture of kraft, fine paper and other chemical-pulp products, which were deemed highly important to military operations and other essential needs. Also, it was necessary to increase overseas shipments of newsprint, for military publications and for revival of a free press in countries that had been enemy-occupied, and the only way that such exports could be increased was to draw from the supplies that had been earmarked for consumption on this continent.

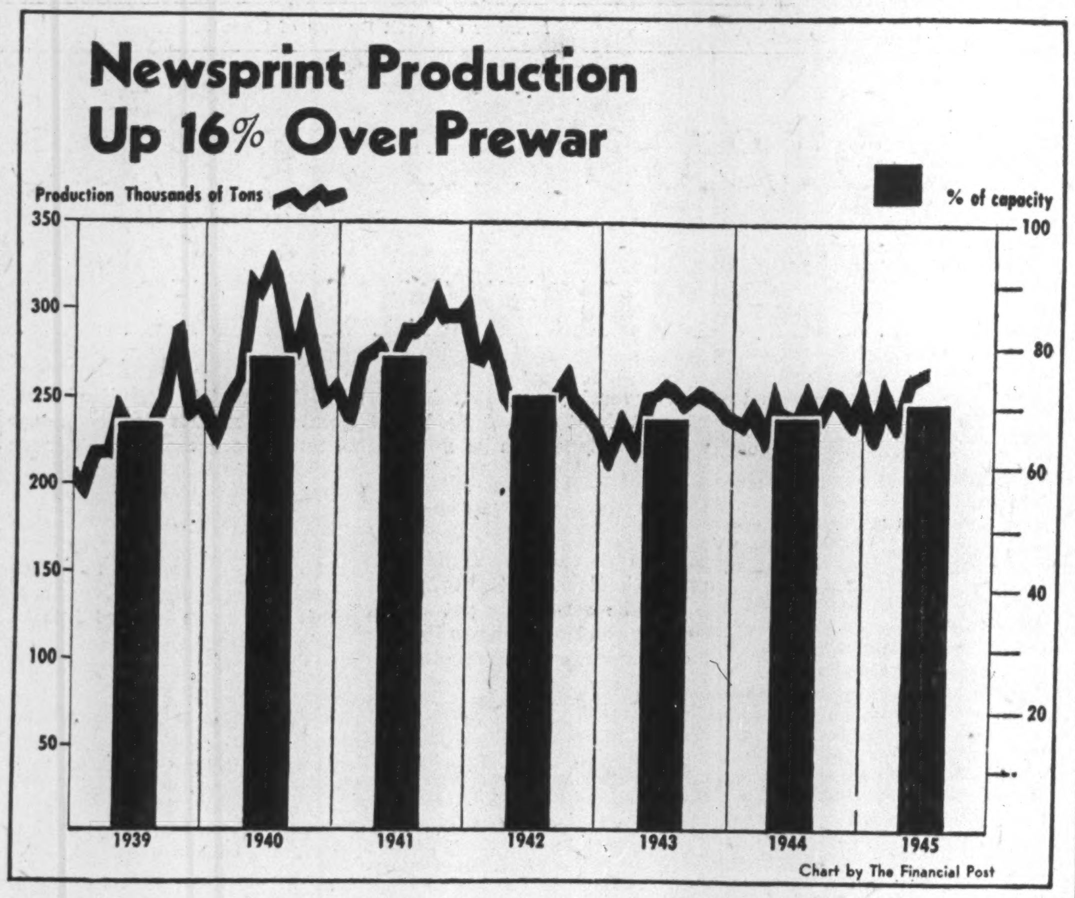


Chart by The Financial Post

Canadian newsprint production this year, however, has improved, to the best level since 1941. One factor lately has been release of Scandinavian newsprint to overseas users, thus lessening demands from overseas on the Canadian Mills. Also military needs are now lessening. Such developments have permitted Canada to undertake an increase of 10,000 tons monthly in shipments to the United States for the final quarter of this year. Increase in allotments is likely to Canadian consumers also.

Swedish Shipments Still Low

Canadian shipments overseas cannot be cut much, however. The shipping shortage restricts transport of Scandinavian pulp as well as paper, also the destruction of some paper mills plus the acute shortage of coal in Europe and resultant necessity to use wood for fuel, are factors at present. No groundwood pulp or newsprint is being moved to the United States from Sweden this year (although the U. S. is getting a relatively small amount of sulphite pulp).

The United States consumer faces prospect, however, of steady improvement in his newsprint supplies. Newsprint for military use, which has been taken directly from U. S. civilian use, is becoming increasingly available.

Also, with Scandinavian pulp again being marketed, even though as yet in only limited quantities, there is less demand on Canadian pulp supplies, and thus more wood can be used for groundwood pulp for newsprint.

Canadian newsprint production is increasing; has been running of late about 25,000 tons monthly ahead of corresponding 1944 months, will probably run about 35,000 tons monthly ahead of last year in the seasonably high-production final quarter.

Present indications are that newsprint output in Canada for full year 1945 will be around 3,250,000 tons against 2,991,782 tons in 1944, 2,982,797 tons in 1943, 3,425,865 tons in 1941, 2,869,266 tons in 1939.

Average annual production of Canadian newsprint during the six war years has been nearly a quarter million tons in excess of average output in the six pre-war years.

Newfoundland output also will show a substantial improvement this year. The transport and manpower difficulties, that hit Newfoundland particularly hard for a time in the war, are now easing, with further recovery in prospect.

Important as regards next year's Canadian newsprint production will be the wood-cut this coming winter season. Prospects in this direction are hopeful. There is expected to be some increase in the number of men in the woods this winter, though the increase may not be very great. One reason is that the men who usually go into the woods—farmers, after the harvest season — were mostly in the woods last year, and the woodcutters who have been holding war jobs may prefer to use their unemployment insurance and seek better paying work rather than go back to woods work.

More Pulpwood Indicated

Assuming some increase in number of men in the woods, there will be as usual other factors governing amount of deliveries of pulpwood next spring—most of which can't be forecast with any accuracy. In eastern Canada there is considerable wood in the forests that wasn't moved out last spring because of the sudden thaw, but the favorable water conditions cleared most of the wood that had been left on river banks in the previous season, a dry year. With favorable snow conditions, favorable spring river conditions, etc., a fairly good increase in wood deliveries next spring to the mills can be expected.

This in itself may permit no sharp increase in newsprint production. Demand for wood for chemical pulp products is likely to be heavy again next year, for instance. However, increasingly more pulp should be available for newsprint, as Scandinavian pulp gets back into the markets.

Thus, an upward trend to eventual capacity output can be looked for. Needs for newsprint are expected to be heavy for some time, for industries will be advertising to market products to civilians, now that the war is over. Such demand, with the low state of inventories, is expected to require capacity output of Canadian newsprint mills for several years, before all world newsprint needs can be taken care of, and reserve supplies restored.

Supply 75% of U. S. Needs

At present, in addition to supplying 75% of present U. S. newsprint supply, Canadian mills are taking care of bulk of requirements of Latin American and British Empire countries. This applies to British countries as far distant as India and Ceylon. No less than 40 countries have been relying on Canada chiefly for their newsprint.

Support of Canada's policy of maintaining stability of prices has been not the least of the Canadian industry's contribution in the war. And it should be noted that in general the main pressure for increased prices has been from U. S. mills, rather than Canadian, with the U. S. price authorities granting to Canadian mills the same increases allowed to U. S. mills, as a matter of fairness. Here is the price record in World War I and World War II (price shown is the delivered price at New York):

The Last War

	Price	Increase
1915	$41.78	....
1916	51.78	24%
1917	63.78	48%
1918	64.30	54%
1919	59.40	90%

This War

	Price	Increase
1940	$50.00	....
1941	50.00	nil
1942	50.00	nil
1943	54.66	9%
1944	58.00	16%
1945	60.25	20½%

Costs Trend Upward

Actually, the price increases allowed have failed to keep pace with increases in costs. In Canada, most companies making newsprint have been active in pulp and other paper sale to meet demands, and thus earnings of producing companies have been held reasonably well on present deflated capitalizations. Recent earnings most companies have been using to cut down debt obligations, and bolster working capital positions, so as to be able as soon as conditions permit to improve plant facilities and further diversify production activities. Evidence that the price increases received have been only partly adequate in relation to cost increases is found in the fact that newsprint production in the United States has suffered, as a number of U. S. mills have switched to other activities, or just closed down.

Abitibi Power

Abitibi Power & Paper Co. is one of the largest newsprint producers in Canada. It has been operating under receivership since Sept. 10, 1932, following the failure to meet bond interest payment due June 1, 1932. Receiver and manager for the company is G. T. Clarkson and the liquidator of the company is R. S. McPherson.

Recently a detailed reorganization plan was published and notices sent out calling meetings of common shareholders on Oct. 4, of the 6% preferred on Oct. 5, of the 7% preferred on Oct. 8 and of the unsecured creditors on Oct. 10, 1945, all in Toronto, to consider this plan.

The reorganization plan was propounded by the Hughes Committee and has been approved by committees representing the unsecured creditors and the several classes of shareholders. The Bondholders' Protective Committee has stated that if the plan is agreed to by the unsecured creditors and shareholders it will

(Continued on page 3A)

SPECIFY WOOD FOR SECURITY

For centuries wood has been man's basic material of construction — tried and tested and not been found wanting. Its ability to "take it" has been proven in five years of grueling warfare.

EIGHT REASONS FOR USING WOOD:

1. WOOD makes for economy.
2. WOOD alone lasts for centuries.
3. WOOD is easily adapted to the job in hand.
4. WOOD makes for speed in construction.
5. WOOD lends itself to modern trends in construction and design.
6. WOOD gives maximum protection.
7. WOOD lends unmatched beauty and harmony to construction.
8. WOOD guarantees maximum safety for minimum cost.

SOUND PLANNING CALLS FOR WOOD CONSTRUCTION

Canadian Lumbermen's Association

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201 Victoria Bldg.

QUEBEC
14 de la Fabrique

FOUR CORNERSTONES of the PAPER INDUSTRY

WHITE HUSKY*
(Alkalized Cellate Pulp)
Gives paper the brightness of the best sulphite and the strength of rugged kraft.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

SOLKA*
A group of premium fibres — pure, strong, durable — for the finest quality papers.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

DUR-ALBA*
(Hardwood sulphite)
A short, high white, bulky fibre for superfine papers or blending with longer, stronger pulps to improve formation, finish, watermark, bulk and opacity.
MADE FROM NORTHERN BIRCH
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

REGULAR LA TUQUE SULPHATE
The highest quality No. 1 spruce kraft pulp. It combines extra strength with light color and extreme flexibility.
MADE FROM NORTHERN SPRUCE
A CELLULOSE PRODUCT OF BROWN CORPORATION
QUALITY

A fine sheet of paper depends not only on the papermaker's skill, but also on the quality of the pulp from which it is made.

Brown Corporation's four basic pulps with their specialized subdivisions offer paper manufacturers an opportunity to select the exact fibre or blend of fibres required for all types of high grade papers.

The high quality and widespread use of these famous pulps make them vital cornerstones in the great Canadian paper industry.

Our technical staff will work with you to obtain the perfect fibre finish for *your* particular papers. Build your papers on the "Four Cornerstones of the Paper Industry." No better pulps were ever made!

*Reg. Trade Mark.

BROWN CORPORATION
FOREMOST PRODUCERS PURIFIED CELLULOSE
MILLS: LA TUQUE, P.Q. • SALES OFFICE: MONTREAL

Sectional Steel NESTING BARGES

Another NEW Product by HAMILTON BRIDGE for the United Nations

In addition to Engineering, Fabrication, and Erection of structural steel, Hamilton Bridge was called upon to use their skill and facilities for the production of Armoured Vehicle Hulls. To these varied operations has now been added quantity production of Sectional Steel Nesting Barges. An illustrated leaflet is available on request.

Hamilton Bridge will devote their increased resources to further developing Canadian economy by adding to the variety of Canadian manufactured products.

BUILDINGS
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ERECTION

HAMILTON BRIDGE
COMPANY LIMITED
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HAMILTON ONTARIO CANADA

Continuing Cost Rises Create Main Problems For Major Canadian Newsprint Paper Producers

(Continued from page 2A)

recommend acceptance to the bondholders.

Before the plan can become effective it must be agreed to by the holders of three-fourths of the shares of each class of shareholders and by a majority in number representing three-fourths of the value of the unsecured creditors claims, present at a meeting of the unsecured creditors. Bondholders' meetings will not be summoned until after the plan has been agreed to by the above.

Briefly this plan provides as follows:

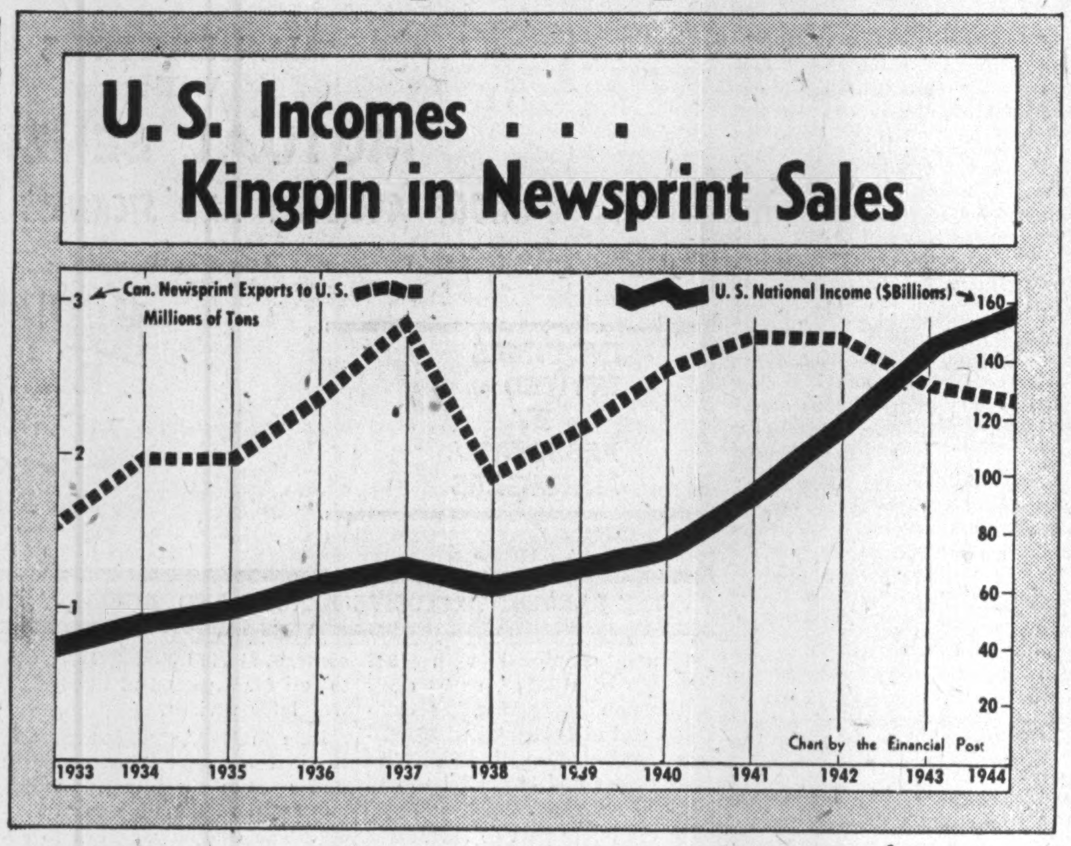
1. — **Present holders of 5%** bonds due 1953 will receive new 5% bonds due 1965 in the amount of $1,100, of which $525 will be for principal and $575 for interest, for each $1,000 bond. The bonds will be payable at the option of the holder in Canadian funds, United States funds or sterling. They carry interest from June 1, 1944, and provision is made for a possible distribution representing one and a half years' interest to bondholders in 1945 if it appears unlikely that the plan will be consummated by December 1, 1945.

2.—**Unsecured creditors** are to be paid in cash 100c. on the dollar of their claims proved in the winding up proceedings (exclusive of interest) subject to an over-all limit of $900,000 Canadian funds.

3.—**Each present $100 par value 7% preferred share** is to be divided into five prior-preferred shares of a par value of $20 each carrying a dividend of $2.50 per share and redeemable at the option of the company at $37.50 per share. Dividend on these shares will be cumulative from January 1, 1945, with the initial dividend being payable January 1, 1946. All the arrears of dividends on the 7% shares are to be cancelled.

4.—**Each present $100 par value 6% preferred share** is to be divided into four $20 par value preferred shares and two no par value common shares. The divided preferred shares all carry a dividend of $1.50 per share and be redeemable at the option of the company at $25 per share. All the arrears of cumulative dividends on the 6% shares are to be cancelled. Dividends on the new $1.50 preferred are to be cumulative from and after the next quarterly dividend date after the date upon which the principal amount of the first mortgage 5% bonds due 1965 outstanding under the amended indenture shall have been reduced to or below $35 million or January 1, 1947, whichever is the earlier.

5.—**Each two present common shares** are to be consolidated into one share without par value.



6.—**Provision is made for 11 directors** of which seven will be elected on behalf of the bondholders until the funded debt is substantially reduced and four on behalf of the shareholders. It is planned to do this through the creation of an issue of 14 preferred shares of $100 par value. The provision for the election of seven directors on behalf of the bondholders disappears when the principal amount of the first mortgage bonds is reduced to $25 millions.

Capitalization outstanding upon the plan becoming effective will be $53,093,700 5% first mortgage bonds due June 1, 1965; 14 shares $100 par value 5% preferred; 50,000 shares $20 par value, $2.50 prior-preferred; 1,395,272 shares, $20 par value, $1.50 preferred and 1,241,694 no par value common shares. Of the common shares 697,636 will be held by holders of the present 6% preferred and 544,058 will be held by holders of the present common shares.

G. T. Clarkson, receiver and manager, in his report for the year 1944 states that Abitibi and its wholly owned subsidiaries produced 438,705 tons of newsprint as compared with 470,750 tons in 1943 and 412,873 tons in 1942. Of the 1944 production 25,571 tons were produced at the increment cost thereof and without profit by order of the newsprint administrator. In addition, company mills produced a total of 65,271 tons of sulphite and other pulp in 1944 against 108,417 tons in 1943 and 113,758 in 1942.

As at March 31, 1945, pulpwood inventories of the company at its mills and those of its subsidiaries and in the bush amount to approximately 630,000 cords as compared with about 605,000 cords a year previously. Uncertainty exists as to the possibility of obtaining delivery to the mills in this season of approximately 70,000 cords on hand in the bush due to various conditions not existing in the two previous cutting seasons, it is stated.

Earnings before depreciation, bond interest and taxes amounted to $9,714,398 in 1944 as compared with $9,808,094 in 1943. Based on 1944 earnings and making no allowance for possible changes in depreciation, depletion and other charges, net earnings after depreciation and depletion available for interest on the new 5% bonds would amount to $5,531,055. Interest on the new bonds would require $2,946,700 (including 11% U. S. exchange) giving a coverage of 1.88 times.

Taking income taxes at the 1944 estimated figure of $1,250,000 (which figure is also subject to possible change) a net profit of $1,334,355 would be shown. This would equal $26.69 per share on the new $2.50 preferred, 87 cents on the new $1.50 preferred and a deficit of 71c. on the common.

Taxes Doubtful

The amount of taxes to be paid by Abitibi for the five years ending December 31, 1944, cannot be determined accurately at this time, according to the auditors. The question of taxes is still under discussion with the Department of National Revenue of the Dominion of Canada.

During the year further negotiations took place for the sale of the Kaministiquia Power Co. is the Hydro-Electric Power Commission of Ontario. The receiver and manager reports that no progress was made "by reason of the unwillingness of such Commission to purchase such properties at such price as the undersigned has felt able to recommend the acceptance of."

Operations at the Smooth Rock Falls pulp mill in 1945 are expected to be at about full capacity. The company's total shipment from all mills is expected to be slightly greater than that for 1944.

Anglo-Canadian

Anglo - Canadian Pulp & Paper Mills, Ltd. operates a newsprint and bleached sulphite mill at Quebec City, with capacity of 600 tons daily. The mill is the seventh largest newsprint mill in Canada.

The Newsprint Administrator's production allotment to Anglo-Canadian is 4.70% of all newsprint business available, so that average operations for this year are likely to exceed 70% and be slightly above last year.

Control of the company is held by interests associated with the Rothermere estate. As there is no direct public interest in the company's securities, no financial statement has been available recently.

Operating revenues, however, are understood to have shown some improvement in the past few years.

Prior to 1940, it had been necessary for the controlling interests in England to advance funds to the company, to help meet interest payments on the debentures, all of which were held by the Daily Mail Newspapers, Ltd., of London.

In 1940, however, a capital reorganization was put into effect to remove the weight of interest obligations. Financial position since then has improved, aided by increased revenues.

Normally, chief market for Anglo-Canadian newsprint was to England—to newspapers in the Rothermere group. During the war, under government distribution controls, more of company's output has been directed to the United States, while shipping restrictions limited amount of newsprint that could be made available overseas.

In addition to its newsprint department, Anglo-Canadian is active in sale of surplus sulphite pulp.

Enters Shipping

Late in 1942, Anglo-Canadian entered the shipping business, taking over, with Morton Dry Dock & Shipbuilding Co. and George T. Davie & Son, management of a new $1 million outfitting yard built by the Dominion Government at Inner Basin, Quebec Harbor. The yard was aime to handle outfitting of bulk of escort ships built in Quebec district shipbuilding yards.

Present capitalization of Anglo-Canadian consists of 1,050,000 no par value common shares outstanding of authorized issue of 1,500,000 shares. This stock was exchanged for the old preferred and common stock and debentures in the capital reorganization of 1940.

Canadian Internat.

Canadian International Paper Co., a subsidiary of International Paper Co., and the largest pulp and paper enter-

(Continued on page 4A)

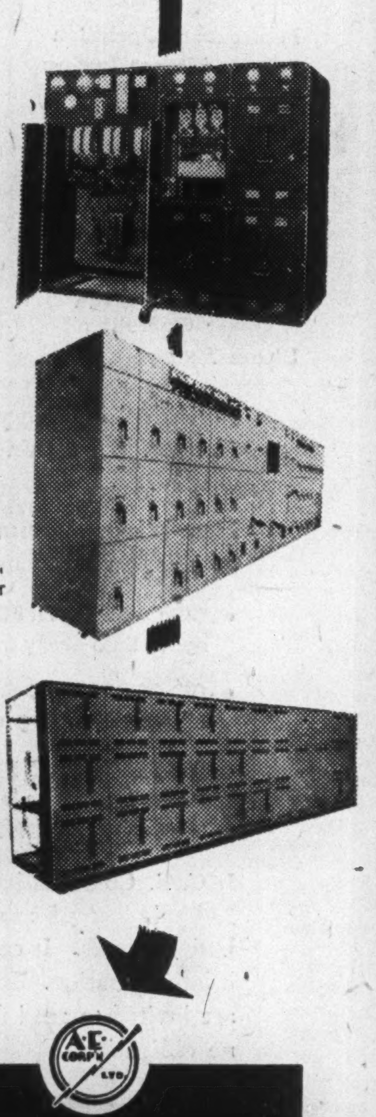
HERE'S PROOF

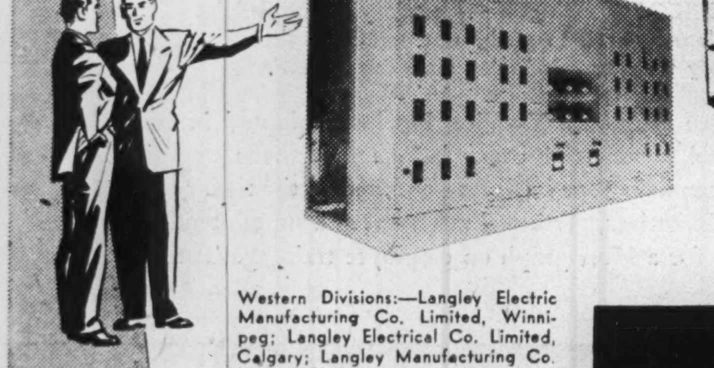
THAT "AMALGAMATED" CAN BEAT YOUR SWITCHBOARD PROBLEMS

Here are a few of the many switchboards built by Amalgamated Electric for industrial plants, commercial and institutional buildings. Besides serving as an efficient distributing centre for power and light, each has been remarkably trouble-free. This is because A-E engineers work right along with plant engineers and plan switchboards to suit each particular type of operation.

This policy, plus Amalgamated's years of experience, eliminates all guesswork . . . keeps A-E Switchboards functioning properly for years with a minimum of service.

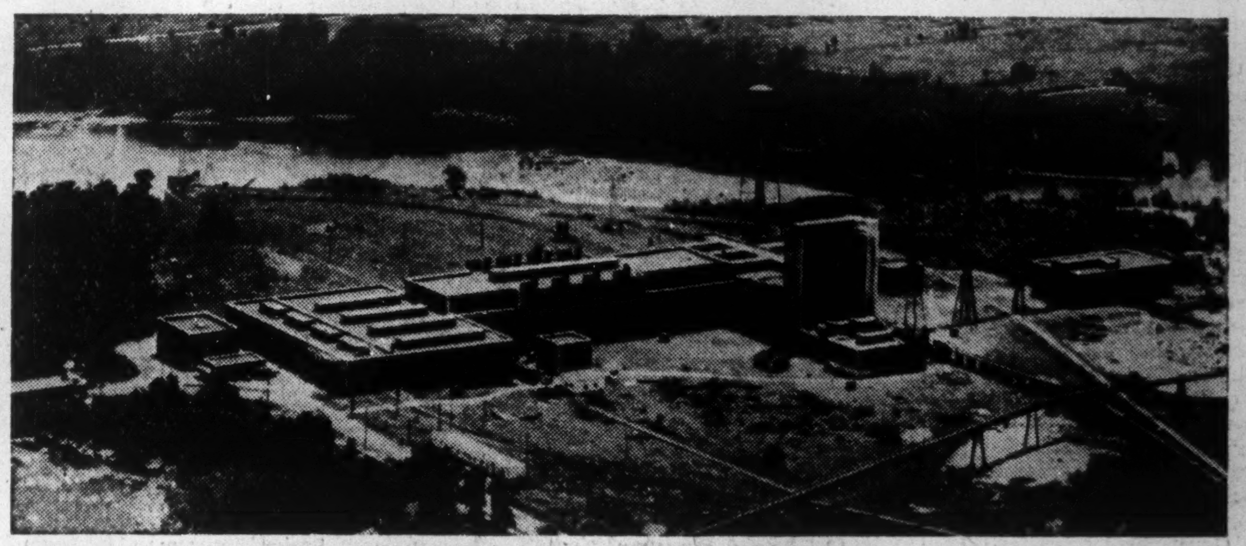
Amalgamated Electric Corporation manufactures boards of every type from small panelboards to huge control centres. Dead front or cubicle construction employing Nofuz units, Vacu-break controls — air or oil circuit breaker types — boards can be built for ready extension as demands increase. They are safe, reliable, space-saving, easily connected. Whatever your need, talk it over with A-E engineers.





Western Divisions:—Langley Electric Manufacturing Co. Limited, Winnipeg; Langley Electrical Co. Limited, Calgary; Langley Manufacturing Co. Limited, Vancouver.

AMALGAMATED
ELECTRIC CORPORATION LIMITED



Aerial view of the modern newsprint mill of The James Maclaren Company.

POWER and PAPER

Salient Features of the Maclaren Development

•

POWER
Installed capacity
270,000 h.p.

STORAGE RESERVOIR
40,000,000,000 cu. ft.

GROUNDWOOD
85,000 Tons Annually

NEWSPRINT
350 Tons Daily

PULPWOOD LIMITS
2,400 sq. miles

Increasing requirements for power for large scale vital industrial production for war purposes found this company ready to meet all demands. This economical power source will be an important factor in meeting postwar needs.

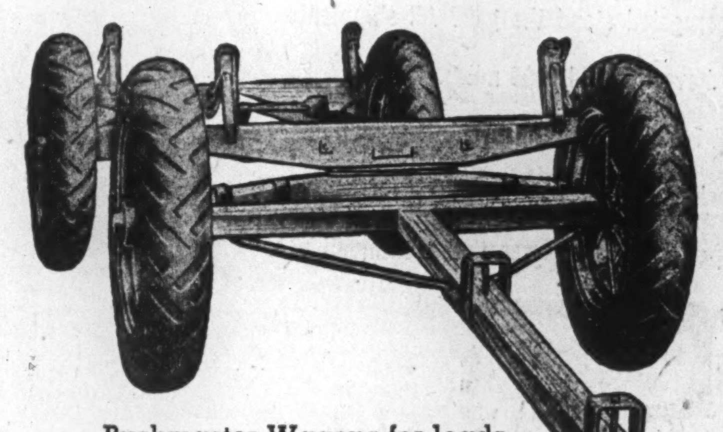
In the field of newsprint, the company's modern and efficient mill is geared for full and thrifty production.

And back of this readiness and capacity to serve stands the name Maclaren which for over 80 years, in the Ottawa Valley has stood for fair dealing and a quality product.

Maclaren Power & Paper Company

Maclaren-Quebec Power Company • The James Maclaren Company Limited
Buckingham, Quebec

Solutions to Your Haulage Problems



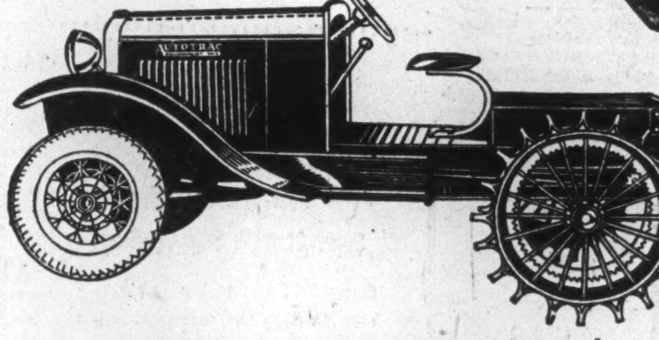
Bushmaster Wagons for loads up to 8 tons.

There exist few haulage or transportation problems that Otaco equipment cannot solve. During past years, however, the supply of Otaco haulage equipment has of necessity been severely curtailed for civilian purposes. The demands of the pulp and paper industry for increased production for war needs had to be met.

Wagons, snow ploughs, autotracs, sleighs, buggies and heaters are only a few of Otaco's contributions to the logging and lumber industry — and the time is soon at hand when this sturdy, time-tested equipment will once again be available for civilian and industrial use.

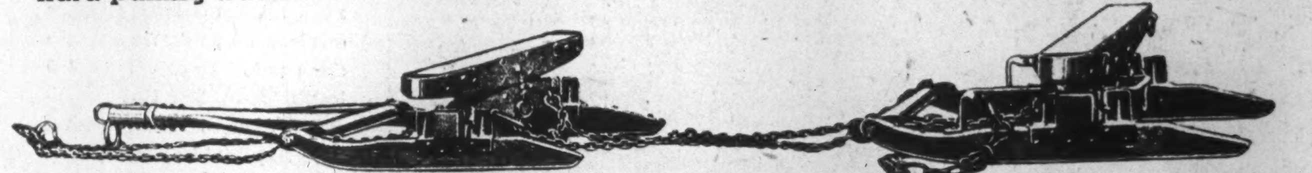
In the meantime, keep your present equipment in good working order by proper care and attention. Write us today for details on how Otaco equipment can help solve your particular haulage or transportation problem.

Consult us for: LOGGING SLEIGHS
SNOW PLOUGHS • LUMBER BUGGIES
AUTOTRAC • BUSHMASTER WAGONS



"AUTOTRAC" (Reg'd) The attachment that converts any automobile into a sturdy — hard pulling tractor.

TACO
"The Mark of Quality"



Logging Sleighs — the Standard for Bush Work.

Lumber Buggies for all kinds of Yard Work.

OTACO LIMITED-ORILLIA, ONT.

More Pulpwood Can Be Ground for Newsprint As Some Scandinavian Chemical Pulp Returns

(Continued from page 3A)

prise in Canada, is a manufacturer of newsprint and bleached and unbleached sulphite pulp.

Daily capacity of its five plants—at Three Rivers, Gatineau and Temiskaming, P.Q., Hawesbury, Ont., and Dalhousie, N.B. — ranges from 2,164 to 2,201 tons of newsprint, 520 to 560 tons of bleached sulphite, 110 to 160 tons of unbleached sulphite.

The company has holdings of Crown pulpwood limits in the Province of Quebec covering an area of over 11 million acres, or apparently sufficient to provide requirements for the present mills in perpetuity.

Company's quota under the Dominion Government proration regulations is 15.89% of all Canadian newsprint business. Output this year is likely to be somewhat higher than in 1944, when production totalled 796,777 tons including 512,359 tons of newsprint.

Since 1940, Canadian International, jointly with Masonite Corp., has manufactured all grades and types of paperboard products for sale in Canada and export markets other than the United States. This mill is located at Gatineau, Que., and has a capacity of approximately 35 million feet a year.

For 1944 Canadian International reported a loss of $515,198, exclusive of $276,871 refundable portion of excess profits taxes, as compared with net loss of $760,452 in 1943.

As of end of 1944, Canadian International showed current assets at $50,286,172 against current liabilities of $7,035,614, indicating net working capital of $43,250,558 compared with $36,155,895 year before. Cash increased to $13,494,007 from $4,901,438, while Dominion bonds at $13,987,059 and inventories at $16,774,016 were substantially unchanged from $18,985,656 and $16,650,714, respectively, a year ago. Since the middle of 1941, Canadian International has paid nothing in dividends to its parent U. S. company.

As with other pulp and paper companies, rising pulpwood costs, together with relatively more rigid selling price levels, have tended to limit profits. Early in the war, there was some upward adjustment in pulp prices, and more recently upward adjustments in newsprint prices—but costs have also continued to climb.

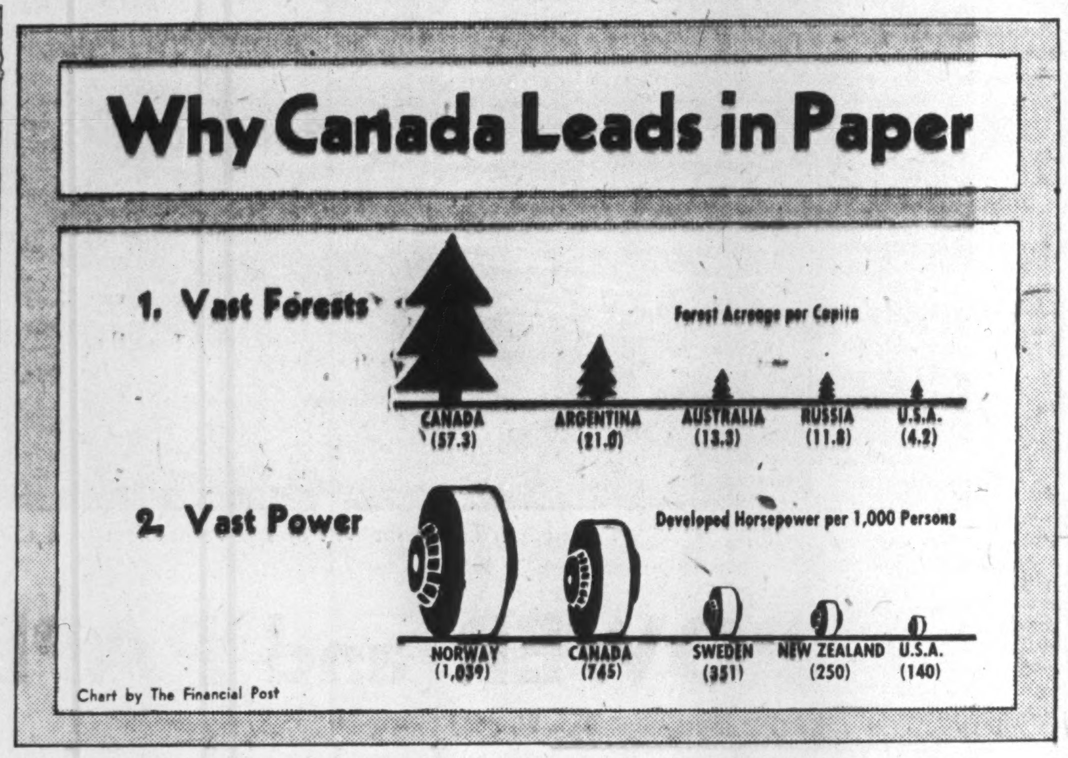


Chart by The Financial Post

Subsidiaries of Canadian International include International Paper Sales Co., Inc., and New Brunswick International Paper Co. The New Brunswick subsidiary operates the Dalhousie plant.

Another subsidiary, International Power & Paper Co. of Newfoundland, Ltd., was sold in August, 1938, to Bowater's Paper Mills, Ltd., of London, Eng., for $5,500,000 cash. A book loss of $275,598 was shown.

Public investment interest in Canadian International is limited solely to the first mortgage bonds.

Canadian International has met uninterruptedly all obligations on its funded debt.

Consolidated

Consolidated Paper Corp. is one of Canada's largest producers of newsprint, also produces kraft paper, kraft pulp, cardboard wrapper, sulphite pulp, sawn lumber (white and red pine) and miscellaneous products.

Consolidated Paper owns five mills with a total daily capacity of about 2,000 tons of newsprint paper, 150 tons of kraft paper, 83 tons of kraft pulp, and other products. During the war, machine shops of the company have been used extensively for the manufacture and machining of parts for war purposes.

Production has been improving gradually in recent years. Tonnage of all pulp and paper shipped in 1944 was approximately 9% more than in 1943. Billings of all products including lumber and miscellaneous increased by approximately 17%. Some further improvement in output is likely this year. Rising pulpwood and other costs have prevented increased revenue from being fully reflected in earnings.

After substantial writeoffs including a special reserve of $500,000 for possible decline in inventory values, earnings in 1944 were reported at $1,107,653 against $1,294,229 in 1945. Earnings per share amounted to 43 cents against 51 cents in 1943.

Working capital as of end of 1944 totalled $25,811,952 against $7,254,244 at the end of 1939. During the same period funded debt declined to $43,803,222 from $51,406,900. Notes held against Hearst indebtedness, totalling $1,336,388, were reduced, by April 5, 1945, to $521,475.

The company, which has been unable due to war conditions to spend much on capital replacements and maintenance, has authorized substantial expenditures for plant improvements. Some $2 million commitments for capital outlays were made in the first quarter of this year.

During the war the company has been carrying on research work, with view to development of new products and further diversification of output in the postwar period. As soon as conditions permit, it is planned to widen scope of the company's production activities. As yet, little information has been revealed as to the direction new activities will take.

Donnacona

Donnacona Paper Co. is an important producer of news print paper, also manufactures groundwood and sulphite pulp, and is a leading producer of insulating board and acoustical board.

Donnacona operates a newsprint mill with groundwood and sulphite pulp plant at the junction of the Jacques Cartier and St. Lawrence Rivers, about 30 miles west of Quebec City. A mill for manufacture of insulating board was built in 1929 and the manufacture of accoustical board was undertaken in 1939. The company is allotted 1.87% of total newsprint business, under present government regulations.

Production in 1944 was practically unchanged from 1943, but there was a slight reduction in operating profits due to increased costs. Net profit after charges rose to $273,725, or 73c. a common share, from $194,847, or 52c. a share, in 1943, due to the nonrecurring deduction of $319,225 from 1943 earnings for loss on realization of Hearst notes.

The company last year redeemed all its outstanding 5½% notes, also reduced by $150,000 par value its first mortgage bond issue outstanding, reducing funded debt to total of $5,350,000 at end of 1944. Working capital at end of 1944 totalled $2,446,688 against $2,511,142 year before.

About the middle of last year the company started a program of plant extension and betterment, and part of this program was completed (and paid for) by end of 1944. It is expected the extensions will considerably increase productive capacity and the mill and result in substantial saving in manufacturing costs of groundwood and newsprint.

At the end of last year, capacity of the company's three newsprint machines was rated at 275 tons daily, capacity of sulphite pulp mill at 40,000 tons a year (including 25,000 tons surplus for sale), capacity of groundwood pulp mill 96,000 tons annually (including 10,000 tons saleable surplus), annual capacity of insulating board mill 75 million square feet plus 35 tons daily capacity from a cylinder board machine added in 1940.

The company has a 12,000 h.p. hydroelectric plant, also purchases power from Shawinigan Water & Power.

Great Lakes

With head office and plant at Fort William; Ont., The Great Lakes Paper Co. manufactures newsprint and unbleached sulphite pulp.

A $300,000 expenditure program has been announced recently to improve pulp drying facilities, expand warehouse and improve docks at the Fort William plant.

Volume of mill production during 1944 was restricted to available wood supply. Approximately 77% of paper mill capacity and 83% of surplus sulphite pulp capacity was shipped during the year. Full benefits of an increased pulpwood cut in the season 1944-45 will be postponed due to the unusually early spring breakup, which curtailed haul and delivery of a portion of the season's cut.

Net profit for 1944 amounted to $320,674 as compared with $349,040 in the preceding year. Working capital at Dec. 31, 1944, showed an increase to $3,806,693 from $3,700,449 at the end of 1943.

It is expected that the 10-year contract for a minimum shipment of 67,500 tons of newsprint per annum to some 25 publishers in the United States, which runs out at the end of this year, will be prolonged a further five years.

Investment in 25,613 shares of Minnesota and Ontario Paper Co. and carried at $1 in the balance sheet, had a market value of approximately $333,000 at Dec. 31, 1944.

Lake St. John

Lake St. John Power & Paper Co. operates a complete pulp and newsprint mill at Dolbeau, on the Mistassini river, just north of Lake St. John, Que.; has equipment for packing and shipping bleached sulphite pulp. Its pulp manufacture is in excess of needs of its newsprint machines.

Lake St. John is controlled by St. Lawrence Paper Mills, which owns all the Lake St. John preferred shares (18,000 shares 6% preferred, each $100 par) and 81,993 shares of the 100,000 outstanding no par value common shares.

Newsprint production capacity is approximately 350 tons a day, or 100,000 tons annually. The company holds under lease from the province of Quebec 1,857 square miles of timber limits estimated to contain 12,000,000 cords of pulpwood. Electric power is obtained from Saguenay Power Co.

Net profit in 1944, after interest, tax provision, etc., totalled $308,770, equal after preferred dividends, to $2.01 a share on common, compared with 1943 earnings of $185,987, or 78 cents a common share. Working capital at end of 1944 totalled $3,445,948 compared with $3,073,944 year before and $2,084,271 at end of 1939.

In the latter part of 1937, Lake St. John signed a contract with Hearst organization, under which 100,000 tons of newsprint were to be sold to Hearst annually at the prevailing market price. The contract started Jan. 1, 1938, was to run for a period of five years, was later revised.

Late in 1943, a settlement was reached on Hearst indebtedness under the contract, which amounted at the time to $1,032,324. The company agreed to accept new interest-bearing notes to be governed by a trust deed calling for annual sinking fund payments sufficient to retire all the outstanding notes within a reasonable period. Current shipments were to be for cash.

By the end of 1944, the Hearst indebtednes had been reduced to $632,188 and a further $317,439 was received in January, 1945.

Last year the company redeemed $314,200 of its 5½% bonds and $310,000 of its 5% debentures—or substantially in excess of sinking fund requirements.

A substantial capital outlay a

(Continued on page 5A)

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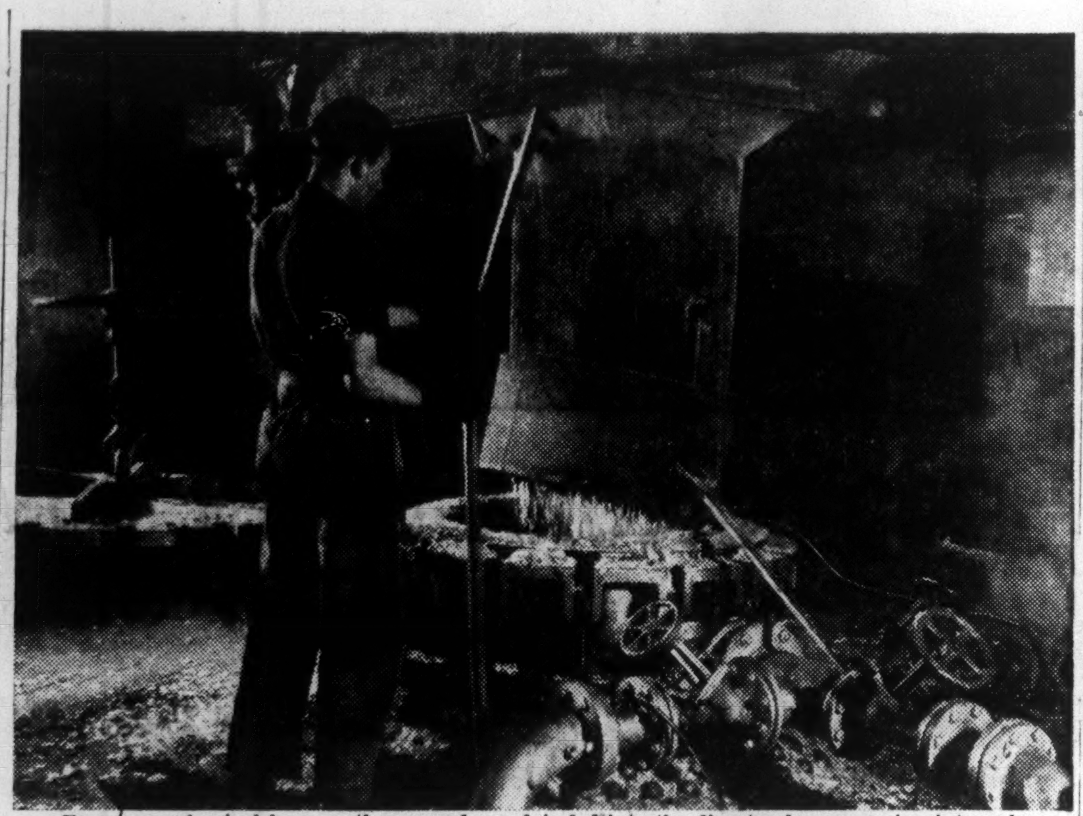
Newsprint Needs Continue to be Pressing Capacity Output Needed to Restore Stocks

(Continued from page 4A)

few years back on improving pulp-making facilities has resulted in an increase both in quantity and quality of pulp available for sale, and a corresponding improvement in company's earning power.

The present newsprint mill is capable of expansion to more than double present capacity.



From a mechanical hopper, the ground wood is fed into the digester for processing into pulp.

Jas. Maclaren

The James Maclaren Co., Ltd., is an important producer of newsprint and lumber.

A wholly owned subsidiary of Maclaren Power & Paper Co., Ltd., James Maclaren Co. has a groundwood mill at Buckingham, Que., with an annual capacity of 85,000 tons, a newsprint mill at Masson, Que., with a capacity of 105,000 tons annually, and has been engaged in the lumber business in the vicinity of Buckingham since 1864.

The Maclaren company's share of Canada's newsprint business is 2.30%. The company holds under Crown lease about ?,600 square miles of timber limits, all located on the Lievre River watershed and estimated to contain over 6 million cords of wood.

The company has no bonds or preferred stock outstanding, with capitalization consisting solely of common stock, all of which is owned by the Maclaren Power & Paper Co.

Earnings for 1945 probably will show no important change from last year. For 1944 net operating income was $1,015,678 against $972,410 year before. After adding non-operating income, and deducting charges, net profit was $452,316 against $284,810 year before.

Revenues from the lumber division were substantial in early years of the war, but more recently the manpower shortage has limited income from this source.

Minn. & Ont.

Minnesota and Ontario Paper Company produces and markets newsprint and specialty papers lumber, kraft paper and bags, insulating and building material of various types in the United States and Canada.

The company is also engaged in a number of various other activities such as the generation of steam and hydroelectric power for lighting purposes and for use in its plants at International Falls, Minnesota, as well as Fort Frances and Kenora, Ontario. Approximately 70% of the capital stock of National Pole and Treating Company, which produces cedar poles, treated and untreated, is owned by the company.

The president of the company, Donald T. Davis, has recently announced the completion and approval of plans for expenditures to exceed $6 millions for the modernization and expansion of the facilities of the organization. This has been made possible by the financial readjustments which were approved by the stockholders at their annual meeting on May 28 of this year.

The president has stated that the contemplated facilities program for the production of new products, as well as improvements in present products, will go forward as rapidly as equipment, materials and labor permit. Government approval has been obtained on all of the major projects. At International Falls, there will be a new Insulite manufacturing machine, increasing capacity by 40%. There will also be a new research laboratory, additional equipment for grinding wood and manufacturing paper, a new plant for bleaching 100 tons of kraft paper daily and another new plant for bleaching 75 tons of groundwood daily. Plans have also been made for a new plant for filtration of the huge quantities of water used in making paper. Other features are mechanical equipment to ensure maximum utilization of by-products, additional structures for housing M and O employees, and additional machines for preparing and grinding pulpwood and manufacturing paper.

At Canadian mills in Fort Frances and Kenora new facilities for production of groundwood and new water wheels and other additions to hydroelectric and steam power plants are proposed. Modernization of paper machines and extensive new miscellaneous plant equipment is also contemplated.

Consolidated net profit was higher at $1,114,382 in 1944 as compared with $1,398,455 in the previous year. Earnings per share amounted to 83c. in 1944 as against $1.04 in 1943.

Price Brothers

Price Bros. & Co. is a manufacturer of newsprint, unbleached sulphite and groundwood pulp, paperboard and other paper specialties, sawn lumber and other timber products, such as shingles, ties, laths, etc.

Price Bros. operates two newsprint mills having a combined annual capacity of 400,000 tons of newsprint annually. One mill is located at Kenogami, Que., about 120 miles north of Quebec City, and the other at Riverbend, near the head of the Saguenay River, about 23 miles from Kenogami.

The Kenogami mill, in addition to newsprint machines, is equipped with a cardboard and wrapping paper machine which has a capacity of 10,800 tons annually. Products from this machine include mill wrappers, screenings board, pulpboard, egg case filler board and imitation leather board.

The Riverbend mill, in addition to standard newsprint, produces special vacuum dried newsprint.

Price Bros. owns and operates three sawmills on the south shore of the St. Lawrence river at Rimouski, Matane and Price, with a combined annual capacity of about 90 million feet board measure, plus unlimited amount of pulpwood.

At Rimouski, also, is located a box factory with an annual capacity of approximately 1,000,000 boxes.

The company operates under lease the Jonquiere Pulp Co.'s cardboard and specialty mill, with 23,000 tons annual capacity.

The company in its own right, or through subsidiaries, owns and controls approximately 7,775 square miles of leasehold Crown lands and 232 square miles of freehold lands.

The company has substantially improved its earning power, and financial position, in recent years.

For 1944 company reported earnings of $1.39 a share on the common stock excluding refunding part of EPT and $2.02 a share including refundable EPT. The company paid $1.50 a share on the common last year, the same amount to date this year—first dividend payments on the present common which was set up in a capital reorganization in 1937.

Despite steady debt reductions in recent years, working capital at end of 1944 was nearly $14½ millions—against $9¾ millions at end of 1939.

Funded debt has been reduced by nearly $6.8 millions since end of 1939.

Early this year, Price Bros. & Co. and Consolidated Paper Corp. acceded to the request of the Quebec Government to turn their holdings of common shares of Quebec Pulp & Paper Co. (now in bankruptcy) over to the province to facilitate a reorganization of Quebec Pulp.

Ontario Paper

An important newsprint producer, Ontario Paper Co., sells its entire output to an American publication — The Chicago Tribune.

Through its subsidiary, Quebec North Shore Paper Co., Ontario Paper Co. operates one of the most modern newsprint mills in Canada. Production commenced at the Quebec North Shore mill, located at Baie Comeau, Quebec, in January, 1938. Expenditure was in the neighborhood of $18 millions.

Besides the Comeau plant, Ontario Paper Co. also has an important operation at Thorold, Ontario.

The gradual improvement in labor and raw material supply situations appears likely in the next year to permit more favorable production results. Electric power shortage affected the company for a time during the war but this situation has now improved.

Ontario Paper holds the unique distinction of being the first company on the North American continent to try out a French fermentation method of making alcohol from pulp plant wastage. A $500,000 plant was installed at Thorold for production of alcohol from waste sulphite liquor and this plant has measured up to advance expectations.

Other products are reported obtainable from the alcohol-producing process and it is possible that these products may be produced for market.

The process used is briefly this: The waste liquor, which is acid, is aerated for removal of sulphur dioxide and neutralized with lime. It is then pumped into fermenters and yeast is added. The fermented liquid, containing alcohol, is distilled, and the resulting product is 190-proof alcohol.

The Chicago Tribune interests own Ontario Paper Co. and no financial statements are available.

Quebec N. Shore

Quebec North Shore Paper Co. is a producer of newsprint, and one of the most recent companies in the industry.

A wholly owned subsidiary of Ontario Paper Co., Quebec North Shore operates a newsprint mill at Baie Comeau, Que.

The plant has annual capacity of around 120,000 tons, and the entire output is contracted for by the New York Daily News organization.

Quebec North Shore's mill is one of the most modern in Canada, having been completed in 1938. The company has a power development at Outardes Falls, which has a capacity of 75,000 h.p. and supplies all of the newsprint mill's power needs.

St. Lawrence Paper

St. Lawrence Paper Mills Co. is a producer of newsprint paper, and in recent years has been selling considerable surplus groundwood and sulphite pulp.

St. Lawrence Paper is controlled by St. Lawrence Corp., Ltd. The parent holding company owns practically all the outstanding St. Lawrence Paper common shares.

Normally, St. Lawrence Paper is engaged almost exclusively in production of newsprint paper—one of the few companies remaining in the industry which hasn't branched out into other activities.

St. Lawrence Paper operates at Three Rivers, Que., a six-machine balanced newsprint mill with an annual capacity of 180,000 tons. Newsprint Specialty Corp. has an agreement with St. Lawrence Paper for use of a part of the Three Rivers mill for manufacture of sheet news and other grades of paper, scratch pads, etc., from the cull rolls and slab

(Continued on page 8A)

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Pulp Makers Continue To Step Up Their Output But Shortages of All Types Are Said Still Acute

Limited only by the amount of pulpwood available from such woods operations as the Government and industry could cooperatively achieve under wartime conditions, pulp production this year has continued full-out. Exports of pulp have risen to nearly three times average level of just before the war, while total pulp output has been boosted to well above the average immediately prior to the war.

Peak of Canadian wartime pulp production was reached in 1941—at 5,721,000 tons as compared with 3,668,000 tons in 1938 and 4,166,000 tons in 1939. Since then there has been some easing off, due to decline in pulpwood available, but this year the increased cut of pulpwood last winter has brought pulp output back to close to the wartime high.

Whereas before the war, Canada used most of the pulp it produced in its own paper mills, in more recent years the Dominion's exports of pulp have grown in importance — to nearly three times pre-war level.

Logging pulpwood is heavy work, requires energizing foods. To supply the 100,000 workers in the woods, the pulp and paper industry annually buys about $7 millions worth of food, to ensure each man an average of more than 6½ pounds of food a day.

Pulp Shortage Acute

When Scandinavian pulp shipments (major normal source for United Kingdom and an important source for the United States), were cut off by wartime developments, the shortage of pulp in the big consuming countries became acute. England's pulp consumption was cut to 20% pre-war normal, the United States paper mills had to curtail because of shortage of raw material.

Great Britain in pre-war years was importing an average of two million tons of pulp annually from the Scandinavian countries, and the United States was taking 1½ million tons a year from Europe and less than 600,000 tons from Canada.

Since 1938, Canadian pulp exports have nearly tripled—to over 1.5 million tons annually from 554,000 tons. Canada has been supplying 70% of U. K. needs, has doubled exports to the U. S.

Especial emphasis has been given to increasing production, and exports, of chemical pulp because of the wider uses of the chemical pulp. Groundwood, or mechanical pulp, is usable chiefly for newsprint—too coarse for most other uses.

Chemical Pulp Doubled

Mechanical pulp production has shown only a moderate increase over pre-war years, while output of chemical pulp has doubled to around 2¼ million tons annually.

The trend toward expansion of chemical pulp production in Canada is continuing, with outlays of $100 millions projected on expansion already under way or planned, and with the expansion general over Canada, though particularly in Ontario and British Columbia.

This year, Scandinavian pulp has again become available on world markets, though to a limited extent so far. It may be some time before Norwegian or Finnish pulp is shipped in any quantity to the United Kingdom or the United States, but Swedish pulp is available, with chief obstacle to heavy shipments present transportation difficulties.

U. S. Buying Swedish Pulp

The United States expects to get about 300,000 tons of chemical pulp from Sweden before Jan. 1. Swedish pulp shipments to U. S. from V-E Day to Aug. 8 (latest report) totalled 40,060 tons. Only chemical pulp is being shipped to the United States from Scandinavia, with groundwood pulp being diverted to Europe—because of the shipping situation. United Kingdom also is now receiving Swedish pulp, thus easing what was a very acute situathion there.

Even with return of Sweden as a marketing nation, the outlook is for high level of Canadian pulp production for some time.

There is no immediate threat of a pulp glut to affect Canada adversely. The shortage, and deferred demands, for pulp have been so great that it will take at least a year or two for pulp production to catch up to needs, perhaps much longer.

As soon as they are able, the big Canadian pulp and paper mills will be reshifting pulp back to paper production. In addition, so many new uses for pulp have developed in recent years (stimulated by wartime research) that demand for wood cellulose for many purposes other than paper is expected to continue to increase. The possible growth of pulp use, according to some experts, may be almost unlimited.

Abitibi Power

Abitibi Power and Paper Company is primarily a newsprint producer. However, it also produces an important part of Ontario's sulphite pulp. News grade sulphite pulp is produced at the Iroquois Falls, Sault Ste. Marie and Beaupre (Quebec) newsprint mills. Bleached and unbleached sulphite pulp come from Abitibi's Smooth Rock Falls plant.

In 1944, Company mills produced a total of 65,271 tons of sulphite and other pulps. In 1943, 108,417 tons were produced and in 1942, 113,758. Bleached sulphite pulp ordinarily forms something over 60% of the total sulphite output.

J. R. Booth

A groundwood pulp mill and another for the production of sulphite pulp are among the manufacturing facilities of J. R. Booth Co., which maintains four plants at Ottawa, whose production, including both pulp and paper, amounts to about 54,000 tons a year.

B. C. Pulp

British Columbia Pulp and Paper, which was incorporated in 1925, manufactures various grades of bleac[illegible] pulp and operates two mills, one at Wood Fibre and one at Port Alice, British Columbia.

The original capacity of these mills was 110 tons per day for the Wood Fibre plant and 100 tons a day for the Pt. Alice mill, but a program of alteration and expansion costing $1,159,080 in 1937 and $750,000 in 1941 and 1942 converted the company's properties to the production of high-grade bleached sulphite pulp and boosted capacity of the two mills to a total of 400 tons per day.

The company controls by lease from the British Columbia Government and other interests, approximately 155,000 acres of timberland, estimated to contain approximately 4 billion feet of timber.

The company also owns and has developed its own townsites for employees at Wood Fibre, Swanson Bay and Pt. Alice, B.C. These townsites have a population of approximately 2,000.

The mill at Wood Fibre has its own hydraulic power development of about 3,000 horsepower, while at Pt. Alice there is water power adequate for the ultimate development of 20,000 horsepower which will be developed as required. Meanwhile, the Pt. Alice mill is operated by steam power.

During 1944 the two mills operated at about 74% of their capacity due to restricted supplies of materials. Net profits for the year were shown at $352,721, an increase over the figure of $163,531 for 1943. Following the 1944 annual report, the basis of income and excess profits taxes was settled and an adjustment of $650,000 for prior years was added to surplus account. This resulted in carrying forward to 1945 a surplus of $623,246 compared with a deficit of $379,475 at the end of 1943

Brown Corp.

Brown Corp. produces bleached and unbleached sulphite pulp at its plant at La Tuque, Que., on the St. Maurice River. Plant capacity is approximately 120,000 tons annually.

A wholly owned subsidiary of Brown Co. of Berlin, New Hampshire, Brown Corp. owns approximately 1 million acres of freehold timber land and holds under license from Quebec Province approximately 2.26 million acres.

Due to increased woodcutting costs, net profit of Brown Corp. in the fiscal year ended Nov. 30, 1944, declined by $98.971 to $784,116. Standard profits tax base for the company has now been fixed, and it has been found that tax provision in balance sheet has been adequate.

Working capital of Brown Corp. on Nov. 30, 1944, was $6,937,577. An increase of $227,415 over the previous year was achieved despite capital outlays during the year of $724,860.

Brown Co., the parent company, has arranged for a loan from Reconstruction Finance Corp. in the U. S. of nearly $6½ millions, secured by first mortgage on properties. This amount is to be used in financing rehabilitation, modernization and expansion of both the U. S. and Canadian properties.

The amount apportioned to Brown Corp. in Canada is $3 millions, and the work is to be proceeded with as fast as materials and supplies are available.

Brown Corp. and Shawinigan Water & Power Co. each own 50% of the common stock of St. Maurice Power Corp. which owns a hydro electric power plant at

(Continued on page 9A)

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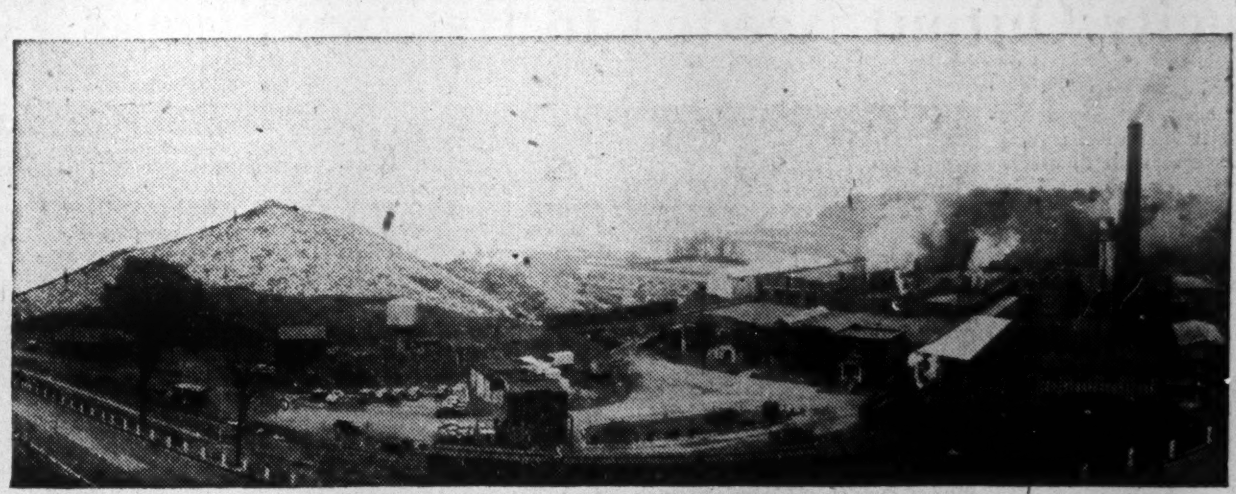

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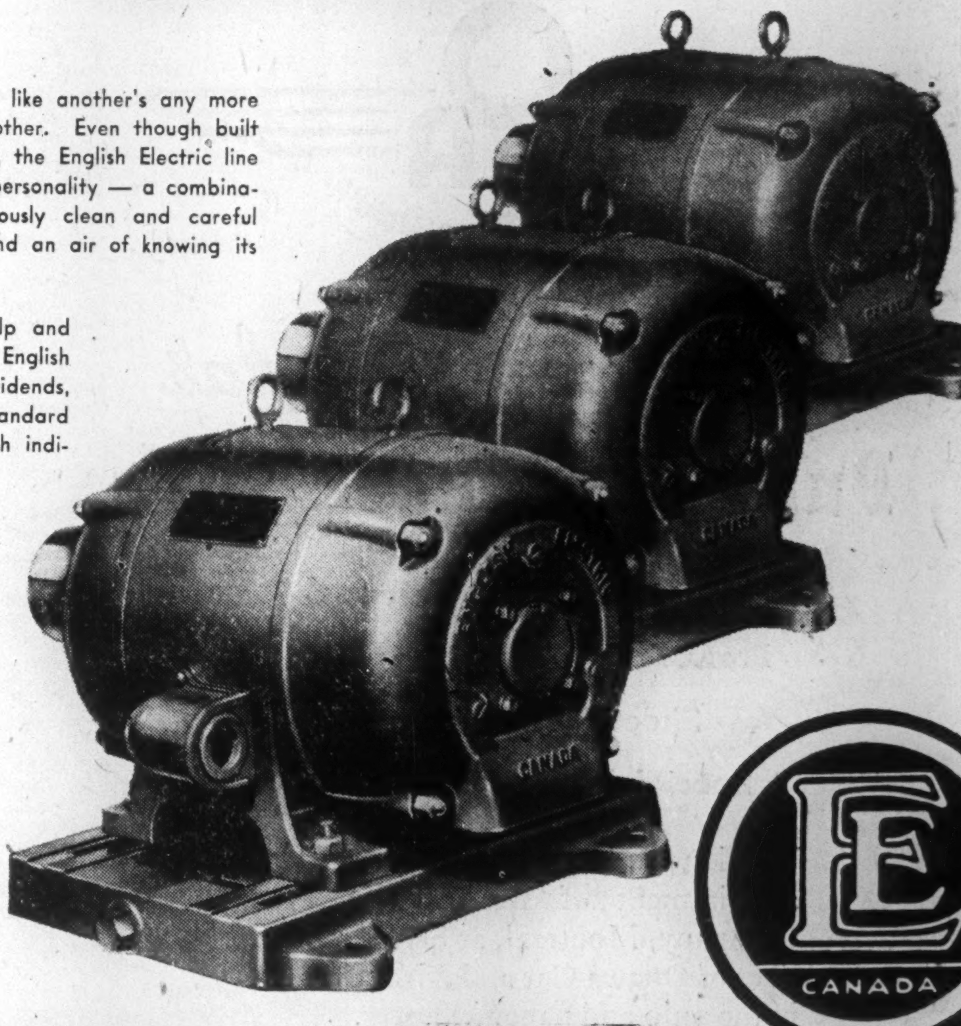

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Overseas, UNRRA Demand for Kraft Still Heavy Domestic Needs Likely to Rise as Goods Return

Shipment of goods for UNRRA and general overseas aid continue to occupy a substantial part of Canadian kraft paper manufacturing facilities. At the same time the first trickle of the long-denied stream of consumer mechanical goods is coming onto the market.

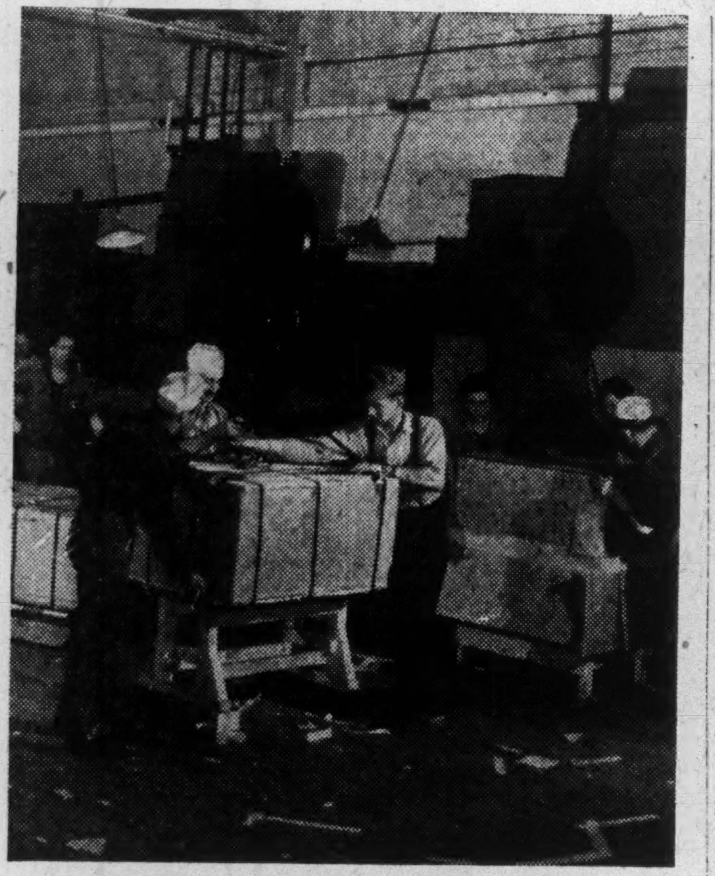
This stream will expand sharply during the next several months and with it the demand for kraft paper as a wrapping medium. The extent to which paper mills direct their facilities in this line depends on the current price in relation to other paper products.

Pulpwood and manpower shortage continued during the last year and has curtailed production in the kraft line. Although last winter's pulpwood cut was a heavy one, early spring thaws made it impossible to get all the pulp down to the stream. Weather conditions permitting, a record pulp cut is expected this coming winter.

During recent years kraft paper production has been running around 120,000 tons annually, with a value close to $12 millions. This production level is much higher than existed before the war. The mills have taken care of the heavy military requirements on a co-operative basis, at the same time looking after the civilian requirements to the maximum extent possible.

Kraft paper exports during the war years have reached substantial proportions, a good part of the entire export market being in Britain.

The price squeeze on kraft paper production has been particularly severe during the last two war years, producers say.



The paper industry turns to its own product to solve its tricky packaging problem.. Paper must be carefully protected from weather to avoid waste in transit. Here workers pack kraft paper for shipment.

With rising costs and selling price held at ceiling levels, profits have narrowed. Unless some substantial change takes place soon, paper producers are stated to be considering a move to direct their energies into other, more profitable, paper lines.

Bathurst

Originally organized primarily for production of newsprint paper, Bathurst Power & Paper Co., td., has widened and diversified its production activities, and is now a leading producer of kraft products. Other activities include boxboard and pulp manufacture and sale. In January, 1944, the company still was operating one machine for production of newsprint, but at that time, on WPTB instruction, discontinued newsprint manufacture so as to increase its manufacture of kraft liner and corrugated boards.

Bathurst at its plant at Bathurst, N.B., manufactures the following products for domestic and export markets: cylinder boards, including patent coated, bleached manila, pulpboards, kraft lined boards, colored boards and sceenings, boards; Fourdrinier boards, including kraft liner and kraft corrugating boards; high-grade unbleached sulphite pulp. The company also owns and operates a hydroelectric plant, and distributes electricity for power and lighting purposes through a subsidiary.

Production has been on a full-out basis in recent years. Total sales of all products in 1944 amounted to 107,852 tons against 105,533 tons in 1943. Dollar volume of sales, at $7,452,835 against $6,992,759, represented in part the change from manufacture of newsprint to kraft products, larger tonnage sold and an increase in the price of unbleached sulphite sold for export which became effective Feb. 14, 1944.

Cost continued to increase in 1944. Also, out of 1944 earnings, a special reserve of $125,000 was set up to meet the anticipated higher cost of restoring the company's pulpwood inventory to normal volume so as to preserve the much lower unit value at which pulpwood inventory is carried. As a result net profit for 1944 was shown reduced to $380,450, or slightly less than class "A" dividend requirements of $400,000, from $539,371 in 1943.

For the first half of 1945, earnings on the class "A" stock amounted to 44 cents a share against 41.3 cents a share in corresponding 1944 period. Net profits this year, however, are not comparable as in the current year charges for depreciation and depletion, in accord with a ruling of the income tax department, have been reduced. Profits for 1945 period, before depreciation and depletion and Dominion tax provision, totalled $537,572 against $579,150 in 1944 period.

The decline in operating profits, this year, has reflected continued upward trend in costs. Production has gained further this year. Output at present is nearly three times productive rate nine years ago, although the same number of machines are being operated as in 1936. The increase in production has been due to increase in operating efficiency.

Last year, the company spent $754,899 for further plant improvements. A second high-pressure, pulverized fuel steam generator was installed to replace existing low-pressure boilers (retained as spare unit), and this year several other auxiliary units of production equipment are being installed to improve efficiency, lower basic costs of conversion, and add further to productive capacity.

Working capital at end of 1944 totalled $4,383,552. Working capital on June 30, 1945, totalled $4,258,531.

Bathurst anticipates further diversification of production, now that end of the war will permit development of a strong research department and use of pulp for new products.

Brompton

Brompton Pulp & Paper Co., Ltd., directly and through subsidiaries, is a manufacturer of groundwood pulp, newsprint paper, kraft pulp and paper, manila and fibre paper, fine bond and other papers, boxboard, lumber.

A subsidiary of St. Lawrence Corp., Brompton owns and operates two board and two kraft machines and one newsprint machine at East Angus, Que., and one newsprint machine at Bromptonville. Combined annual capacity of these units is approximately 62,100 tons of newsprint, 24,000 tons of kraft paper, 31,000 tons of kraft board and 20,150 tons of boxboard annually. Brompton owns three developed and two undeveloped water power sites on the St. Francis River, totalling approximately 15,000 h.p. Timber limits total 1,591 square miles, estimated to contain approximately 8 million cords of pulpwood.

Late in 1941, an arrangement was made and later sanctioned whereby Brompton acquired, for $500,000 cash and $500,000 of 5% 14-year debentures of the company, all the assets of the Lake Sulphite Pulp Co., Ltd. Since March, 1942, whenever building materials were available, Brompton at a cost of $2,500,000 has been adding to and completing the Lake Sulphite plant near Red Rock for the production of sulphate pulp and container board. The project was completed this year and is now in operation. To finance this development, Brompton stockholders authorized the directors to borrow a maximum of $5 millions.

Major improvements are under consideration for the East Angus and Bromptonville plants, to be carried out after the war. Several new products also are being planned.

Like other pulp and paper companies, Brompton has had to contend with difficulty in getting sufficient wood for the mills, and with rising costs. Operating profits declined slightly in 1944, but net profit was a bit higher, at $309,752, or $1.03 a share, against $300,859, or $1 a share, in 1943. Working capital at the end of 1944 was $3,288,307. Some de-

(Continued on page 8A)

USE

CAPITAL

QUALITY WIRES FOR QUALITY PAPER

Since 1912

CAPITAL WIRE CLOTH MFG. CO. LTD.

OTTAWA

THE ONTARIO-MINNESOTA PULP AND PAPER COMPANY LIMITED

Manufacturers of

Quality Newsprint

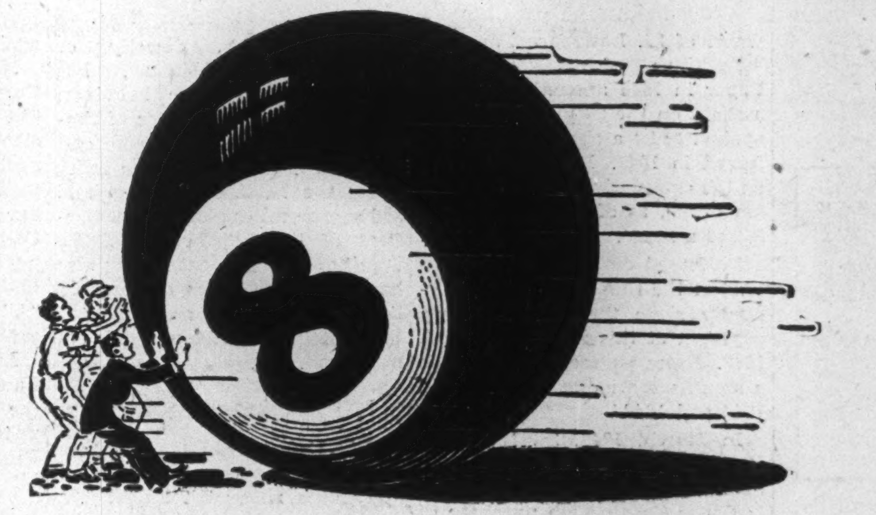
MILLS AT

KENORA AND FORT FRANCES, ONTARIO

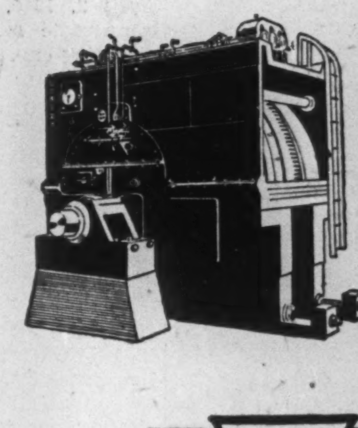
GENERAL OFFICES AT

KENORA, ONTARIO

Behind the eight-ball with pulp schedules?



Investigate high-speed grinding with the new **ROBERTS** *Ring-type* **GRINDER**



Are lagging production figures in your mill causing plenty of headaches these days? If so, *now* is the time to investigate the many advantages of high-speed grinding with the revolutionary new Roberts Grinder.

One company* reports savings of $50,000 in one year, since changing to Roberts Grinders. A large Canadian mill* has switched completely to this more economical method. Others are installing Roberts Grinder units as their present equipment wears out.

Roberts Grinders, in several sizes, are available *now* to help you meet today's heavy production demands. Write for further information and performance facts.

*Name on request.

DOMITE ALLOY IRONS

DOMINION WHEEL & FOUNDRIES LIMITED TORONTO

Plants: Toronto, Cobourg, St. Boniface, New Glasgow

Chilled Tread Car Wheels
Foundry and General Engineering Work
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BOWATER'S

NEWFOUNDLAND PULP and PAPER MILLS LIMITED

BOWATERS CORNER BROOK NEWSPRINT LIMITED

ADVANTAGEOUSLY SITUATED

Five Paper Machines with a Daily Capacity of 665 tons.

Export Sulphite Pulp Capacity 130 Tons Daily.

Located at Tidewater with Harbour Facilities for Loading of Ocean Vessels.

Timber Holdings Consist of 11,000 Sq. Miles with an Estimated Stand of 20 Million Cords of Pulpwood.

Hydro-Electric Plant with an Installed Capacity of 150,000 h.p.

ALSO OPERATING

Ship Repairs: The modern machine shop and wharf facilities of this Company are available for repairs to ships of all classes.

The Glynmill Inn: This modern 70 room hotel is well known to travellers from the United States and Canada.

CORNER BROOK, NEWFOUNDLAND

CANADA WIRE

Industrial Power Cable

Used to transmit power in industrial plants.

Installed in much less time than ordinary conduit.

CANADA WIRE & CABLE COMPANY

Offices from Coast to Coast

Electrical Conductors
Steel Wire Rope

Newsprint Firms' Output Rising With Improving Supply Picture

(Continued from page 5A)

waste of St. Lawrence Paper.

Earnings of St. Lawrence Paper in 1944 amounted to $3.31 a share on the $6 preferred stock against $3.90 a share on the preferred in 1943. Dividend arrears on the cumulative preferred stock amounted, as of Sept. 1, 1945, to $68.50 a share.

Preferred dividends have been paid at the rate of $3 a share annually since the first quarterly payment at this rate, on Jan. 15, 1942. Extra payments of 75 cents a share were made each year in 1942 and 1943.

In March, 1944, St. Lawrence Paper increased its common stock holdings in Lake St. John Power & Paper Co. through purchase of 30,524 additional shares. St. Lawrence Paper now owns all the outstanding preferred and 81,993 shares, or 82%, of the common stock of Lake St. John.

This year there have been further increases in costs, and the $3 increase in newsprint price on April 2, 1945, will only partly compensate for the increase in operating expenses.

In 1943 St. Lawrence Paper made a settlement on a debt owing by the Hearst organization. The debt totalled $543,096. The company agreed to accept notes to amount of the debt. At latest report this debt had been reduced to $235,301, with $96,715 paid between close of 1944 and April 24, 1945.

Current assets as of end of 1944 were reported by St. Lawrence Paper at $4,696,204, current liabilities at $558,974, indicating net working capital of $4,137,230. The company reported total capital expenditures in 1944 at $251,392, chiefly for further development of the company's limits at Trinity Bay.

The company, directly or through its subsidiary, has licenses from Quebec Province, covering 690 square miles of timber limits along the Magpie and St. John rivers, 341 square miles along the Rivière du Loup and 306 square miles along the watershed of the Big Trinity, Little Trinity and Calument rivers; also has 40 square miles of freehold limits. These limits are estimated to contain 6 million cords of pulpwood.

St. Lawrence Corp.

St. Lawrence Corp. is the only holding company in the Canadian newsprint industry.

St. Lawrence Corp. owns 510,492 shares, or 99.2%, of the outstanding common stock of St. Lawrence Paper Mills Co., Ltd., and 298,279 shares, or 99.4%, of the common stock of Brompton Pulp & Paper Co., Ltd.

Previous to 1943, St. Lawrence Corp. also owned a 25% stock interest in Lake St. John Power & Paper Co., but in March of that year sold its investment in Lake St. John to St. Lawrence Paper Mills.

Proceeds from this sale were used to purchase St. Lawrence Corp. "A" stock for cancellation. Holdings of Lake St. John common stock had amounted to 24,811½ shares, and sale of this stock permitted purchase of approximately an equivalent number of St. Lawrence Corp. "A" shares, of which 263,413 were outstanding at end of 1944.

Revenues received in 1944 by St. Lawrence Corp., from subsidiaries, consisted entirely of dividends paid by Brompton on Brompton common stock. Total revenue for 1944 was $298,302 against $298,273 in 1943.

Net profits of St. Lawrence Corp. in 1944 totalled $282,049, or $1.07 a share on the class "A" stock, against $282,144, or 98 cents, in 1943. Dividends at annual rate of $1 a share annually have been paid on St. Lawrence Corp. "A" stock since the first payment at this rate, on Jan. 15, 1941. Dividend arrears on the "A" stock on Sept. 1, 1945, amounted to $18.50 a share.

Income prospects for St. Lawrence Corp. this year, as in the past, are entirely dependent upon Brompton. Earnings of Brompton in 1945 may be off a bit from 1944, due to increased pulpwood costs.

Spruce Falls

One of Canada's most important newsprint producers, Spruce Falls Power & Paper Co., is owned jointly by Kimberly-Clark Corp. and the New York Times. There has been no direct public interest in the company since its bonds were redeemed back in 1937.

Plant capacity has been increased somewhat in recent years beyond previous rated capacity of 550 tons of newsprint, 440 tons of groundwood pulp and 230 tons of sulphite pulp daily. Output is taken approximately half by the New York Times and the balance by Kimberly-Clark Corp.

Expansion expenditures during wartime amounted to approximately a million dollars. The mill has been augmented with new buildings and equipment, circulating systems and a screen room.

Originally it was anticipated ing from this expansion would that the extra production result-

Huge Peace Markets For Kraft Paper

(Continued from page 7A)

cline in earnings is likely to be shown for 1945, due in part to necessity of rearranging productive facilities in connection with start of the Red Rock plant.

J. R. Booth

J. R. Booth Ltd., whose mills are located at Ottawa, produces every year about 35,000 tons of paper. Among its products are specialty paper, hanging paper, book and writing papers, kraft wrapping and converting papers, sulphite converting papers, hydratex and newsprint.

Among the extensive manufacturing facilities of the 87-year old company are included a groundwood mill, sulphite mill, a paperboard mill and a paper mill. The firm owns and operates extensive pulpwood limits.

In 1943 W. G. Weston purchased the pulp and paper division, while the old lumber division was separated and ownership retained by the Booth family under the name of the Booth Lumber Co.

Products of the company have wide domestic distribution. The firm also carries on an extensive export trade.

Dryden Paper

Dryden Paper Co., Ltd., manufactures sulphate pulp and kraft, manila and building papers, grocery bags. The plant (annual capacity about 300,000 tons of sulphate pulp) is located at Dryden, Ont., and chief market for its products is western Canada.

Until the war, the company followed a policy of making an amount of pulp as required for its paper mill operation plus such pulp for sale as would permit operations at the most economical level. Between 1933 and 1940, average pulp production was only 15,000 tons, or about 50% of capacity. During the war the company has increased pulp production, marketing surplus pulp chiefly in the United States. Last year, the company started a plant modernization program which is expected to reduce manufacturing costs and increase plant production. The improvements were completed this year. The grocery bag department was started in 1936, when a battery of machines was installed for such manufacture.

The company owns in fee simple hydroelectric powers capable of developing 7,000 h.p., of which 6,900 h.p. is in operation. In 1938, a power unit of 1,400 h.p. was completed at cost of over $100,000. In 1940, the company added a turbo-generator unit, and arranged to purchase additional power from the Ontario Hydro-Electric Commission, needed because of abnormal unfavorable water conditions that year.

The company's timber limits consist of 1,100 square miles (2 million cords of pulpwood) and are held under 20-year renewable lease from the Ontario Government. More than half of wood used is purchased from settlers, in order to conserve the company's own limits.

Despite capacity operations, rising costs have tended to cut into earnings in recent years. In the fiscal year ended Sept. 30, 1944, operating earnings dropped to $496,837 from $589,808 year before, though net profits were 57 cents a share against 53 cents. Working capital on Sept. 30, 1944, was $807,347.

Vancouver Kraft

Kraft paper is the chief product of Vancouver Kraft Corporation, which is a subsidiary of the Sorg Paper Company of Middleton, Ohio.

The plant of the company, which was expanded in the fall of 1942, is located at Port Mellon, B.C. The company was incorporated in 1939 with a B. C. charter. Capitalization at that time was 6,858 preferred shares with par value of $100 each, 20,000 common shares of $1 each, making a total par value of $703,800. From that time on the entire output of the company was sold to the Sorg organization, which later purchased the property for $1.5 millions.

Output was increased after the plant was purchased by the new firm from 20,000 to 40,000 tons of kraft paper annually. Reported expenditure on this expansion was $1.1 millions, spread over the years 1942 and 1943.

Wayagamac

The Wayagamack Division of Consolidated Paper Corp. is an important producer of kraft paper, also produces surplus kraft pulp for sale.

Prior to 1942, rated daily plant capacity of the Wayagamack Division was: 463 tons of newsprint, 150 tons of kraft paper, 20 tons of board and wrapper plus 83 tons of kraft pulp available for sale.

In 1942, under Government instructions, production of newsprint by the Wayagamack Division was discontinued, and the five newsprint machines were changed over to production of other pulp products.

Results of the Wayagamack division are consolidated in the accounts of Consolidated Paper, and profits from kraft production are not revealed separately.

Buy WAR SAVINGS CERTIFICATES

Tax Exempt . . .
Interest Bearing . . .
Redeemable after 6 months
$5 to $500 Pieces . . .

An ideal investment. So good that purchases are limited to $600 in any one year. Be thrifty. For sale at all banks and post-offices and by REGISTRAR, WAR SAVINGS CERTIFICATES, OTTAWA

This advertisement contributed by

THE ONTARIO PAPER Co. LIMITED
THOROLD, ONTARIO

Salmon Hole Dam and Power Plant, St. Croix, N.S.

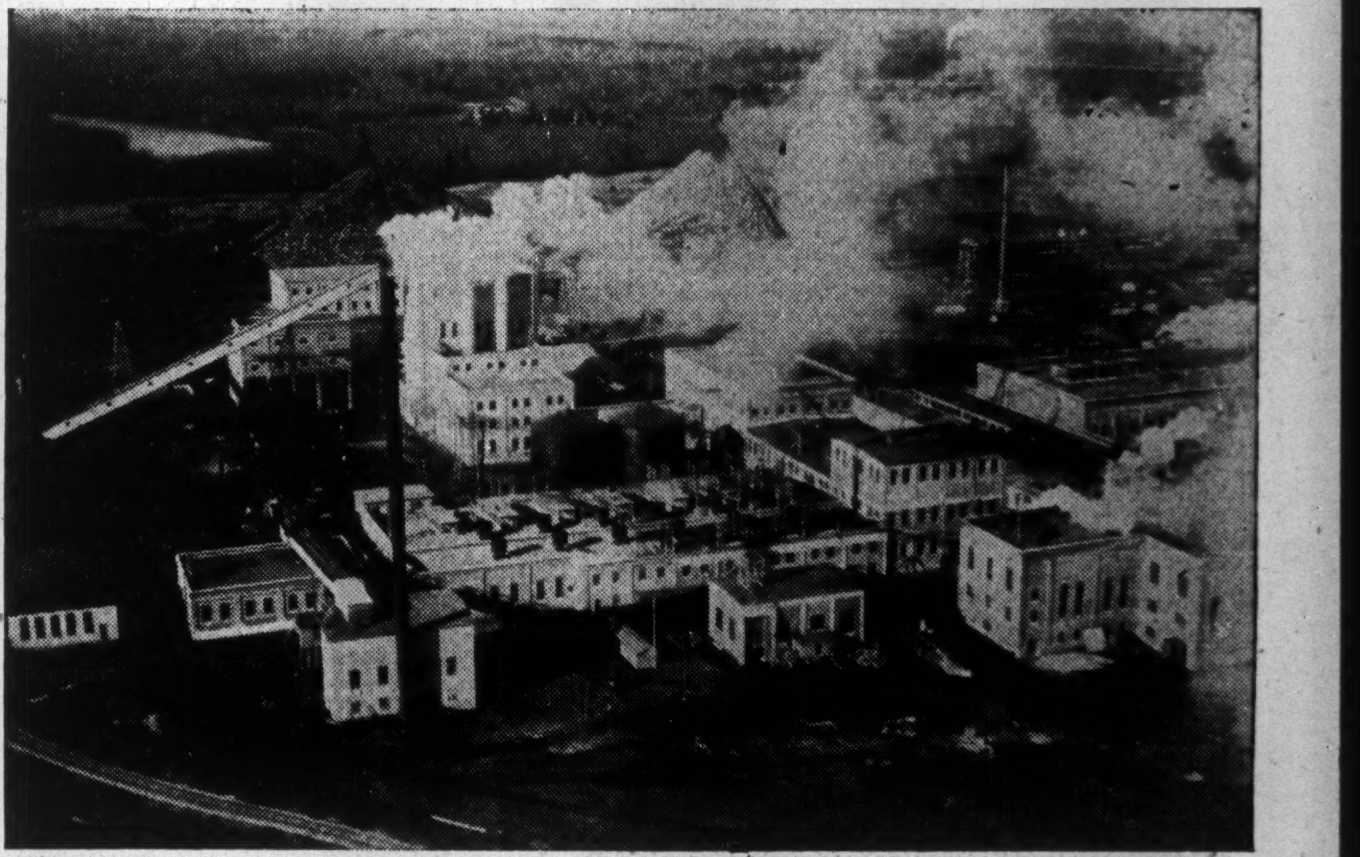
PRODUCERS OF HIGH GRADE MECHANICAL FIBRE

With installed capacity 110-120 tons daily. Total installed power development 7,100 h.p.

MINAS BASIN PULP AND POWER COMPANY Limited

HANTSPORT NOVA SCOTIA

THE GREAT LAKES PAPER COMPANY LIMITED



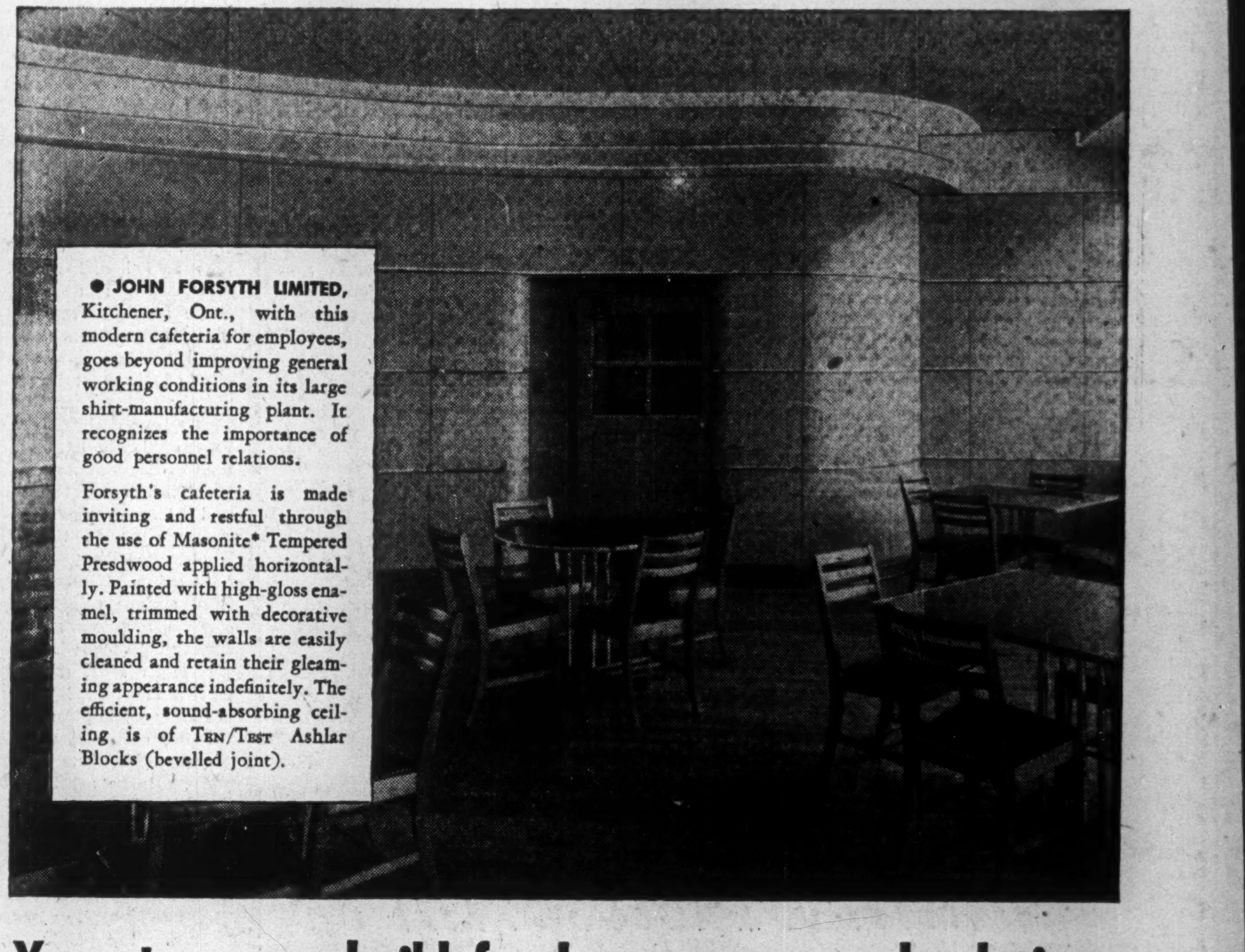
The Great Lakes Paper Company Mills

MANUFACTURERS OF HIGH-GRADE NEWSPRINT PAPER AND UNBLEACHED SULPHITE PULP

Annual Mill Capacity
116,000 Tons Newsprint
42,000 Tons Sulphite Pulp

Pulp and Paper Mills at Fort William, Ont.
TORONTO OFFICE — 55 YORK ST.

This Cafeteria Shows Forward-Thinking



● JOHN FORSYTH LIMITED, Kitchener, Ont., with this modern cafeteria for employees, goes beyond improving general working conditions in its large shirt-manufacturing plant. It recognizes the importance of good personnel relations.

Forsyth's cafeteria is made inviting and restful through the use of Masonite* Tempered Presdwood applied horizontally. Painted with high-gloss enamel, trimmed with decorative moulding, the walls are easily cleaned and retain their gleaming appearance indefinitely. The efficient, sound-absorbing ceiling is of Ten/Test Ashlar Blocks (bevelled joint).

You, too, can build for better personnel relations!

Good relations between management and employees start in well-appointed plants . . .

. . . In comfortable loungerooms . . . attractive and easily-kept washrooms . . . inviting cafeterias . . . as well as in modernly-finished offices and manufacturing departments.

Masonite Presdwoods offer almost unlimited scope in improving plant conditions economically. Masonite is versatile, strong, durable, good looking, easily cleaned . . . the *modern* answer to better flooring . . . tiling . . . wall panelling . . . office furniture. Also for hundreds of specific industrial uses.

And jobs are completed quicker . . . at reduced labor costs . . . because Masonite is so speedily worked, easily handled, with ordinary wood-working tools.

FREE . . . 48-page Booklet

Learn how Masonite Brand Products can help you make plant and office improvements. Write for free samples, technical data and 48-page booklet, "What you ought to know about Masonite," to International Fibre Board Limited, Gatineau, Que., Dept. 120-E.

THE WOOD OF A THOUSAND USES
Masonite BRAND PRODUCTS

*'Masonite' is a registered trade mark and signifies that Masonite Company of Canada Ltd. is the source of the product.

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MANUFACTURERS
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INSULATING MATERIALS

"ROCINSUL" The modern Insulation for Brine and Ammonia Piping where Temperature is from 0°F. to Minus 30°F.

PIPE COVERING AND LAGGING From 32°F. to 2600°F. — Also Retort Cements up to 3000°F.

Office and Plant
1192 Beaudry St. Montreal

Expanded Export Market, New Uses Brighten Peacetime Pulp Picture

(Continued from page 6A)

La Tuque with an installation of 222,500 h.p.

During the year ended Nov. 30, 1944, work on the repair and modernization of the La Tuque, Que., pulp mill advanced substantially. The new pulp storehouse and repair and service shop were completed, and work was begun on a large new pulp dryer to replace several small obsolete dryers. In all, expenditures on this program in the last fiscal year amounted to more than $400,000. Work on the expansion program is currently proceeding as fast as materials and manpower supplies permit.

Consolidated

Consolidated Paper Corp., in addition to being a leading producer of newsprint, a manufacturer of kraft paper and other products, has been able to produce enough pulp so that it has a surplus available each year over and above needs of its paper machines.

Rated daily surplus, available for sale, from its pulp mills, is placed at 263 tons daily, including 180 tons daily of sulphite pulp and 83 tons daily of kraft pulp.

The Laurentide division at Grand' Mere, Que., has daily surplus of 61 tons of sulphite pulp, the Port Alfred division 119 tons of sulphite pulp, the Wayagamack division (Three Rivers and Cap de la Madeleine, Que.) 83 tons daily of kraft pulp.

Wartime needs for pulp have increased importance of such Consolidated operations, and maximum amount possible of pulp for processing into products other than paper has been produced.

Consolidated's pulp production activities have been important in maintaining earnings, particularly during early years of war, when profitable results in newsprint production were difficult. It has also placed the company in a more favorable position in future planning for diversified activities.

Fraser Cos.

Fraser Cos. is a manufacturer of bleached and unbleached sulphite pulp, groundwood pulp, paperboard, lumber, laths, shingles and railway ties, and through subsidiaries manufactures bond and other bleached specialty papers, groundwood specialty papers, bleached sulphite pulp and dissolving pulps.

Approximate capacities of the plants of the company and its subsidiaries follow: Edmundston, N.B.—66,000 tons annually of high-grade bleached sulphite pulp, 9,000 tons unbleached sulphite pulp, 18,000 tons paperboard, 42,900 tons groundwood pulp; Madawaska, Me.—48,000 tons high-grade sulphite papers, 43,500 tons of catalogue paper; Athol, N.B.—55,500 tons bleached sulphite pulp.

The company's output for sale normally amounts to 160 tons daily of sulphite, bond and waxing papers, 60 tons daily of paperboard, 145 tons daily of catalogue paper, 185 tons daily of bleached sulphite pulp. The company also has a large output of lumber.

Consolidated net profit of Fraser Cos. and subsidiaries for 1944 was equal to $3.93 a share on common, excluding refundable part of excess profits tax, and $4.63 a common share including refundable E.P.T. Corresponding figures for 1943 were $1.90 a share and $2.47 a share.

Important to company's earnings position has been the premium on U. S. funds, inasmuch as company sells a large part of its output in the United States. Loss of this premium would make considerable difference in the company's net earnings showing—unless prices, at the same time, were adjusted upward, or costs could be cut sharply.

Late in 1944, Fraser Cos. called for redemption on Jan. 1, 1945, all its outstanding bonds and those of its subsidiary, Restigouche Co. To provide part of the funds needed to redeem the old 6% bonds, a $7 million issue of 3½% bonds was sold in the United States. Substantial saving in annual interest charges was achieved through this refunding operation.

Working capital of Fraser Cos., Ltd., as of Dec. 31, 1944, was reported at $5.7 millions, a new high.

On July 25, 1944, after a lapse since 1929, Fraser Cos. resumed dividend payments on the common, declaring a dividend of 35c. Payments for 1944 amounted to 70c., for 1945 total payments $1.35.

Gaspesia Pulp

Gaspesia Pulp Co. produces a high-grade unbleached pulp designed to meet U. S. market requirements.

The company is privately owned, financed by interests associated with the Rothermere enterprises. The present owners acquired the property, at Chandler, Que., in 1936. Previously the mill had been idle for some time.

In 1937, the Quebec Legislature passed special legislation to facilitate reopening of the mill. It was provided that the Gaspesia company would have 524 miles of timber limits situated on the Gaspe Peninsula, and an additional area not exceeding 600 miles of timber limits. Provision also was made regarding municipal taxes, etc.

Lake St. John

Lake St. John Power & Paper Co., Ltd., operates a complete pulp and newsprint plant at Dolbeau, just north of Lake St. John, Que., and sells such excess pulp as is not required in its paper production.

The company holds under lease from Quebec Province 1,857 miles of timber limits estimated to contain 12 million cords of pulpwood. These limits are located on the Mistassibi River, Aux Rats River, and Ashuapmouchouan River, all north of Lake St. John. The company obtains its power from Saguenay Power Co.

There has been a market in recent years for all the bleached sulphite the company could supply.

Marathon

Marathon Paper Mills of Canada Ltd. makes bleached sulphate pulp which is baled in sheets of 400-500 lb. and exported to units of Marathon Corp. in the United States. The Canadian company is a wholly owned subsidiary of Marathon Corp. which is a privately owned firm with head office in Rothschild, Wisconsin.

Marathon Paper Mills of Canada is at present engaged in bringing its Pic River project near Peninsula, Ontario, on the north shore of Lake Superior, into increased production. It is planned now to increase the formerly announced $10 millions project to $15 millions. The new sulphate mill is now to have a daily capacity of 300 tons of bleached sulphate. It is anticipated that most of this will be exported to units of Marathon Corp.

A new, modern town named Marathon is under construction on the property immediately adjacent to the mill and is already partially completed. The town, which will be leased by a separate corporation, will provide modern family housing accommodation for the anticipated fifteen hundred workers and their families. In the building project the company has co-operated with the Federal Government in a rehabilitation program.

By judicious reforestation, the company's timber supply is expected to be maintained indefinitely. All coniferous wood on the timber limits is said to be of very fine and strong fibre, due to slow growth brought about by the long, cold winters. This wood is recognized as being excellent for the manufacture of high grade chemical pulp.

All the wood will be driven down the Pic and its tributaries to Lake Superior. It will then be towed in booms of about 8,000 cords each to Peninsula Harbor, about 12 miles distant. The new mill is expected to come into production about June, 1946.

Raw materials such as coal, oil, etc., will be shipped in by boat during the open season and most of the pulp will go to lake state ports by water. The site was chosen after weighing all factors of low cost freight, nearness to wood supply and the purest of waters.

Minas Basin

Minas Basin Pulp & Power Co., Ltd., of Hantsport, N.S., is a manufacturer of groundwood pulp, also an exporter of lumber.

Capacity of the plant is 100 air dry tons per 24-hour day. Major part of the production is sold under contract to Scott Paper Co. in the United States.

The company owns approximately 160,000 acres of timberlands. It also operates two power plants on the St. Croix River, with capacity of 7,100 h.p. Lumber sales in 1943-44 totalled 44 million feet, board measure, of which 8 million feet were cut from the company's properties.

Net profit in 1944 was $23,955 against $21,910 year before. Current assets at end of 1944 totalled $678,718 against current liabilities of $811,588. Earned surplus totalled $137,471.

Port Royal Pulp

Port Royal Pulp & Paper Co. operates a chemical pulp plant at Fairville, on the outskirts of Saint John, N.B. The first mill on the site was built in 1899, thus the business is one of the oldest in the Dominion.

In 1937, changes were made in equipment to convert the plant to manufacture of highest grade of rayon pulp, in addition to bleached sulphite pulp.

During the war, production of the plant has been in heavy demand.

Last winter, however, low water conditions resulted in interruptions to production activities. In the spring, the adverse water condition was corrected, and the plant resumed operations on full scale.

No financial statement is issued by the company, as apart from a $625,000 bond issue sold in 1937 and since retired, there has been no public investment interest.

Quebec Pulp

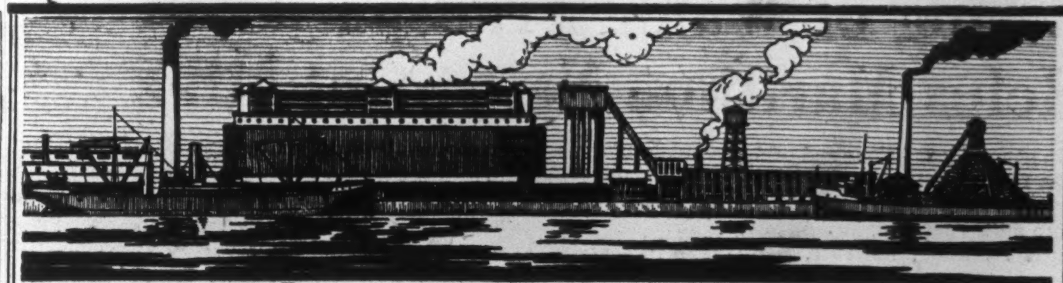
Quebec Pulp & Paper Corp. discontinued pulp production in 1930, and there have been no operations except for the machine shop at Chicoutimi which was used for a time for production of war materials. Quebec Pulp was placed in bankruptcy in 1942 on petition of the Quebec Streams Commission on a claim for $1,824,000 unpaid water dues, and a trustee was appointed for the properties.

Recently there have been steps taken looking to reopening of the mills. At the last session of the Quebec Legislature, a bill was passed to implement an agreement whereby Price Bros. & Co. and Consolidated Paper Corp., which owned the common stock, agreed to turn over their holdings to the Provincial Government to facilitate reopening of the mills. At the same time the Provincial Legislature extended to 1947 from 1943 the period for provincial government action to get the mills operating again.

Quebec Pulp controls timber limits, containing some 5 million cords of pulpwood, of which 4 million cords is on freehold land. It also owns mill properties at Chicoutimi and Val-Jalbert, Que., waterpower sites with a 60,000 h.p. potential of which 36,000 h.p. is developed, and various miscellaneous buildings and assets. The company has approximately $1 million in cash and government bonds.

Chief claimants against the assets of the company are the gov-

(Continued on page 10A)



Where the forests become Paper,
McAvity Valves speed production.

VALVES:-
for Acids, Alkalies and Corrosives,
for Steam Services,
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The entire range of valve needs for Pulp and Paper Mills is covered by the McAvity line. Valves of Chrome Nickel, Stainless and Carbon Steels, Ni-resist and regular Cast Iron, Acid-resisting and other Bronze Alloys have been developed as the need for them developed within the Industry and for over a hundred years our products have kept abreast of all things new and better. Data may be obtained promptly from any of our Branches.

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• Established in the year 1834 •
BRONZE, IRON and STEEL MANUFACTURERS
SAINT JOHN • MONTREAL • TORONTO • WINNIPEG

AYERS HIGH GRADE FELTS

Serving since 1870

Supply Pulp and Paper Makers' felts in wool, cotton and asbestos, to meet every need, also Cotton Transmission rope.

One of Canada's leading manufacturers of Machine Clothing, Printers' and Stereotypers' Felt Blankets, Woollen Fabrics for the men's and women's wear trades, pure Wool Blankets for domestic and outdoor use.

Ayers LIMITED
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ST. LAWRENCE CORPORATION LIMITED
Controlling
ST. LAWRENCE PAPER MILLS COMPANY LIMITED
BROMPTON PULP AND PAPER COMPANY LIMITED
LAKE ST. JOHN POWER AND PAPER COMPANY LIMITED

Manufacturers of
NEWSPRINT
SULPHITE-SULPHATE
AND GROUNDWOOD PULPS

Annual Capacity All Grades
400,000 TONS

Mills at
THREE RIVERS, QUE. — EAST ANGUS, QUE.
DOLBEAU, QUE. — BROMPTONVILLE, QUE.

Head Office:
SUN LIFE BUILDING, MONTREAL

The Backbone of Our Export Trade

• • •

The products of Canada's pulp and paper industry were essential in the winning of the second world war. These products are essential in the post-war period, when we must export if we are to maintain our high level of economy and employment.

Year-in, year-out, our pulp and paper products are the backbone of Canada's export trade. The products of our industry are every-day necessities and are widely diversified.

In the pulp and paper industry, the peak of employment in 1941 was probably 160,000 men. Including their families, the total number of people in Canada depending for their living on pulp and paper, runs to around half a million.

• • •

SPRUCE FALLS POWER AND PAPER COMPANY
LIMITED
PRODUCERS OF PULP AND PAPER WITH DAILY CAPACITY OF
600 TONS NEWSPRINT AND 250 TONS SURPLUS SULPHITE PULP

Mills:
KAPUSKASING, ONT.

Head Office:
TORONTO, ONT.

Easing of Water Transportation Helps Maritime Newsprint Mills

In general, conditions and problems facing the newsprint industry generally have applied to those mills operating in the Maritimes. At times, however, there have also been special problems to contend with.

For instance, Nova Scotia's Mersey paper mill at Brooklyn has had unusual transportation difficulties. The Nova Scotia mill was built, in part, to obtain the benefit of low-cost water transportation to large eastern U. S. centres. However, the Government early in the war took over one of the company's boats, and later water transportation became impossible due to the submarine menace and shipping shortage. As result, Mersey was forced to deliver over a long freight haul, thus increasing costs.

In New Brunswick, the big mill of New Brunswick International Paper Co. has not had the same transportation difficulties, though it has had to contend with power and pulpwood limitations. Another New Brunswick mill, the Bathurst Power and Paper plant at Bathurst, discontinued newsprint production early in 1944, under government instruction, so as to increase its production of other pulp products.

Bathurst

Bathurst Power & Paper Co., Ltd., prior to Jan. 1, 1944, operated a newsprint machine at its plant at Bathurst, N.B. At that time, under Government order, the machine was swtiched to manufacture of kraft liner and corrugated boards. Capacity of the newsprint machine was rated at 80 tons daily.

The Bathurst plant originally was equipped for newsprint production, but gradually was converted to making other products. During the last few years, the mill has been operated at around 110% of rated capacity, producing over 400 tons daily of groundwood pulp, sulphate pulp, unbleached sulphite pulp, kraft liner board, cylinder board.

At present, like many other pulp and paper companies, Bathurst is giving increased attention to research work, has plans for development of a research department to perfect a number of new products that it is felt could be added to present activities.

Mersey Paper

Mersey Paper Co. operates at Brooklyn, on Liverpool harbor, Nova Scotia, a newsprint plant with necessary groundwood and sulphite equipment, a complete unit for the manufacture of 100,000 tons of newsprint annually.

The location of the mill permits low cost water transportation to the eastern United States seaboard. Soon after start of the war, the company was forced to discontinue shipments by water, due to the submarine menace and shortage of boats. Rail transport had to be used, and this so raised costs that in 1942 the company was forced to operate at a loss. Since then, the transportation situation has improved, with a corresponding improvement in earnings.

Normally, in addition to U. S. customers, Mersey Paper has shipped to newsprint consumers in the Maritimes, Great Britain, Australia, New Zealand, the West Indies, and other countries.

This year, a refunding operation was arranged. One June 15, the company redeemed $3,372,000 5% first mortgage bonds at 103 and accrued interest, and on June 25 the company redeemed some $1½ million 6% general mortgage bonds. Bonds bearing lower interest rate were placed privately, to provide funds for the redemptions.

Property consists of a groundwood mill, equipped with direct connected motor driven magazine grinders, a three-digester tower system sulphite mill, and a paper mill containing two high speed paper machines with a combined capacity of 250 tons daily of finished newsprint paper. Through various improvement, actual operating level has been increased to 320 tons daily. The plant is so designed that it may be economically extended by installation of two additional machines of a capacity of 250 tons daily of newsprint paper.

The company owns freehold timber limits estimated to contain approximately 1.8 million cords of pulpwood. An additional supply of pulpwood, estimated at 1.5 million cords, will be made available over a period of 30 years, from 1928, through licenses on Crown lands to be selected by the company under agreement with the Nova Scotia Government, the amount to be increased to a minimum of 2 million cords should the company install a third machine. The company also is in a position to purchase pulpwood from the supply available annually from farmers and jobbers.

In 1937 the company entered into an agreement, through a subsidiary, to purchase certain timberlands estimated to contain approximately 500,000 cords.

N. B. International

New Brunswick International Paper Co. operates a large paper plant at Dalhousie, N.B., on the Baie de Chaleurs.

A wholly owned subsidiary of Canadian International Paper Co., New Brunswick International produces pulp, newsprint and wrapper paper. Its mill, constructed in 1930, is equipped with four paper machines with an aggregate daily capacity of about 644 tons of newsprint (199,640 tons annually on a 310-day basis). The company also has a wrapper machine with a daily capacity of about 24 tons. The mill is fully equipped to produce all its own pulp requirements.

Steam and electric power are purchased from Gatineau Power Co. At times, such power is supplemented by utilizing the purchased steam to generate electricity with the mill's own turbine. The power and steam contracts with Gatineau run until 1967.

As the company's operations and earnings are consolidated with those of the parent company, Canadian International Paper, details, figures on results are not available.

10' 6" CONTINUOUS WOOD STAVE PIPE WITH TENSION CRADLES
CANADIAN WOOD PIPE & TANKS LIMITED
Established 1904
550 PACIFIC STREET VANCOUVER, B.C.

Pulp Industry

(Continued from page 9A)

ernment with its claim on unpaid water dues, and the holders of 70,000 shares of preferred stock (each $100 par).

The Government has indicated it would make a reasonable arrangement on its claim against the assets, and that it was anxious for private interests to take over the assets and give employment in the Chicoutimi section. Negotiations in this direction have taken place from time to time, but as yet there has been no announcement of any definite deal.

Restigouche

Restigouche Co. manufactures bleached sulphite pulp (paper grades) and dissolving pulps which include Resticose for the manufacture of rayon and Restophane for the manufacture of cellophane.

The company, which is a wholly owned subsidiary of Fraser Cos., Ltd., holds approximately 1,495 square miles of freehold and Crown timber lands in Quebec and New Brunswick situated on the watersheds of the Restigouche, Tobique and Green Rivers and their tributaries. These limits are estimated to contain 7 million cords of pulpwood.

The company also owns property at Atholville, near Campbellton, N.B., on which there is a modern bleached sulphite mill of 185 tons daily capacity, which was erected at a cost of $4.5 millions, and has been in operation since March, 1930.

No financial statement has been issued by Restigouche Co. since 1939.

On Jan. 1, 1945, the outstanding $3.4 millions of 6% bonds were redeemed. Funds were provided by the parent company, which sold an issue of $7 million 3½% first mortgage bonds in the United States, in connection with redemption of the Restigouche bonds as well as outstanding Fraser Cos. 6% bonds.

Other Producers

In addition to these companies, a number of pulp and paper companies, whose activities primarily are production of paper, produce and sell at various times surplus pulp not needed for paper manufacture.

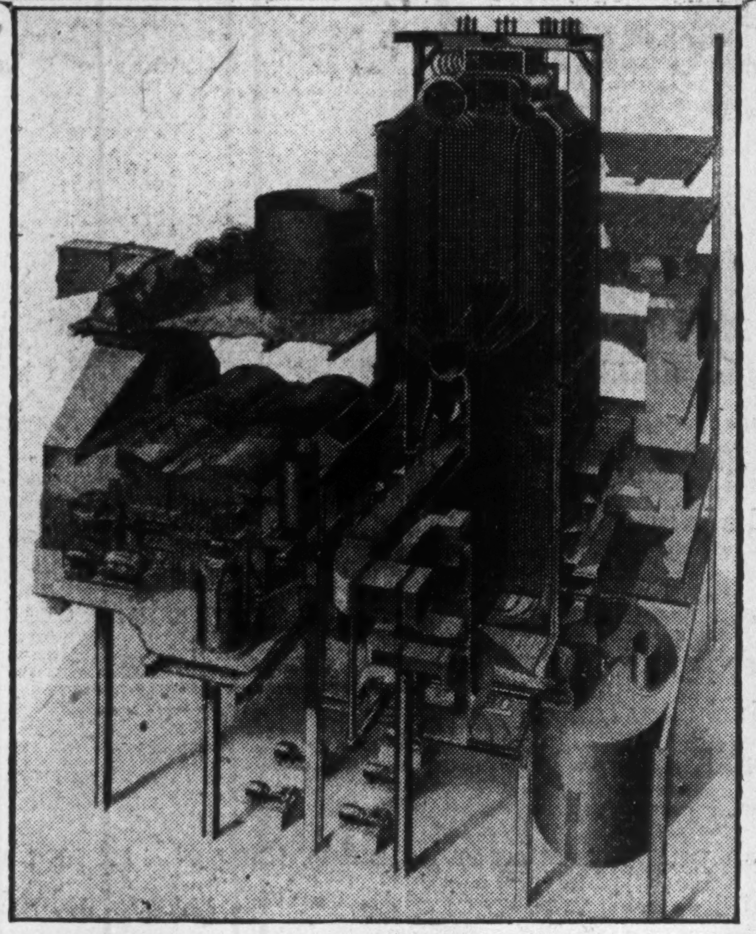
However, as a rule they have little interest in the pulp market when demand for paper is sufficient to absorb available pulp output.

Paper Output Breakdown

Year	Newsprint Paper Tons	Newsprint Paper $	Book and Writing Paper Tons	Book and Writing Paper $	Wrapping Paper Tons	Wrapping Paper $
1917	689,847	38,868,084	48,279	9,332,998	52,287	5,891,898
Average 1918-22	858,305	67,255,978	59,582	14,056,727	66,572	8,467,229
Average 1923-27	1,629,637	110,622,112	74,984	13,403,072	93,107	8,396,884
Average 1928-32	2,356,787	125,617,632	67,694	11,749,739	85,514	8,359,921
Average 1933-37	2,858,331	94,769,252	71,026	10,507,317	86,945	8,227,696
1938	2,668,913	107,051,202	73,834	11,098,901	90,879	9,069,298
1939	2,926,597	120,858,583	90,135	12,773,781	109,907	10,712,394
1940	3,503,801	158,447,311	102,696	15,518,667	139,716	14,457,299
1941	3,519,733	158,925,310	117,444	18,476,397	162,581	16,744,806
1942	3,257,180	147,074,109	121,419	19,181,665	165,991	12,221,769
1943	3,046,442	154,290,163	122,174	19,047,039	145,545	15,614,453

Year	Paperboards Tons	Paperboards $	Tissue and Miscellaneous Paper Tons	Tissue and Miscellaneous Paper $	Total Paper Tons	Total Paper $
1917	54,080	3,543,164	11,261	1,613,914	855,754	59,250,058
Average 1918-22	117,158	8,114,829	30,117	3,247,870	1,131,734	101,142,633
Average 1923-27	145,489	8,579,841	42,300	4,573,593	1,985,517	145,575,502
Average 1928-32	217,826	11,247,289	47,204	4,646,128	2,775,025	161,620,709
Average 1933-37	322,850	15,650,598	45,228	3,960,105	3,384,380	133,114,968
1938	356,891	19,288,172	58,841	5,142,492	3,249,358	151,650,065
1939	413,687	21,359,828	60,176	5,071,476	3,600,502	170,776,062
1940	500,094	31,078,759	73,107	6,334,773	4,319,414	225,836,809
1941	649,840	40,214,658	75,178	7,089,121	4,524,776	241,450,292
1942	609,175	38,641,867	78,002	8,150,102	4,231,767	230,269,512
1943	568,101	37,527,768	84,082	8,883,535	3,966,344	235,362,958

SERVING THE PULP AND PAPER INDUSTRY SINCE 1917



C. E. Recovery Unit

FOR the past 28 years Combustion Engineering and the Superheater Company have been privileged to serve Canada's Pulp and Paper industry. That this service has been diligently and faithfully rendered is evidenced by the many repeat orders we have received.

The Pulp and Paper industry across Canada has now embarked on a long-delayed programme of modernization and improvement. We are proud to say that C. E. and Elesco equipment both for steam generation and chemical recovery are again playing a large part in this programme.

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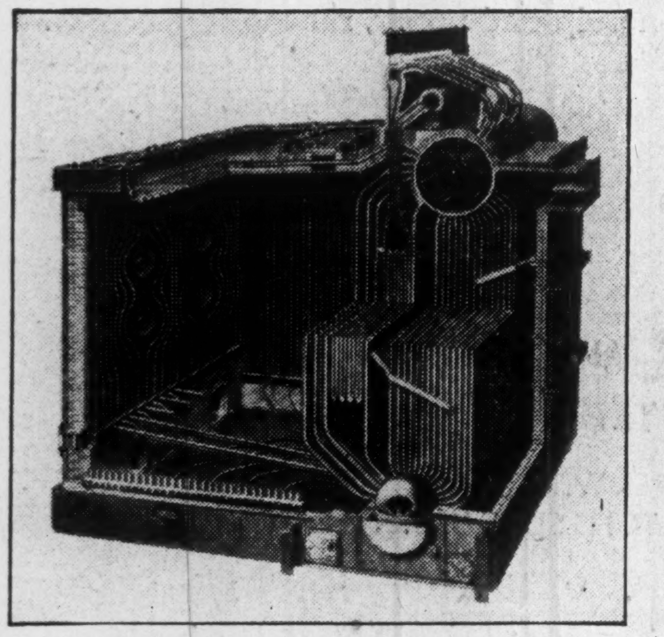
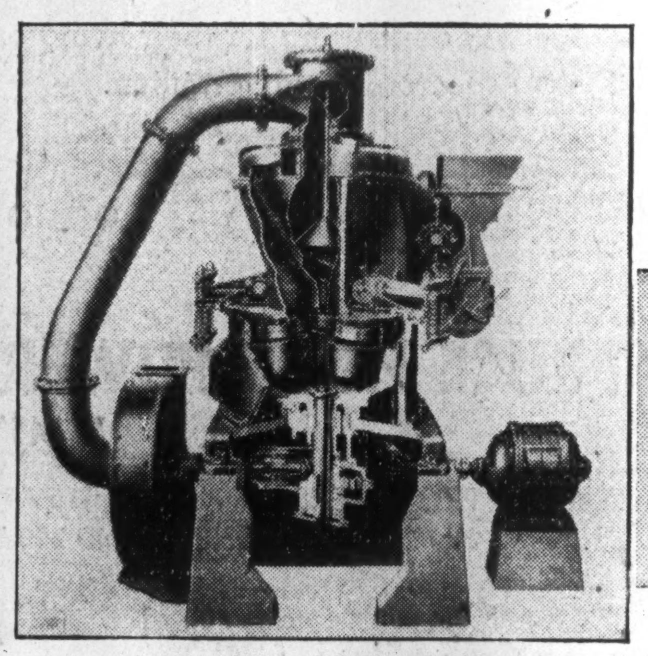


Sectional view of Type V.U. Steam Generator adapted to any type of firing



View showing interior construction of C. E. Raymond Bowl Mill

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The Financial Post

Vol. XXXIX — Ten Cents an Issue, Five Dollars a Year — Publication Office: Toronto, September 22, 1945 — Member of Audit Bureau of Circulations — No. 38

1. Labor to cut pulpwood has been the major shortage in the pulp and paper industry. Heavy work, it requires husky, dextrous men. Needs of the Army and of other essential industries have drained off loggers during the war. Besides this, some farmers who normally work the winter in the woods have not needed the extra income this work used to provide. Some more men are expected to be available this winter.

2. Return of fit veterans and of war workers to civilian industry has led to increased hopes for improved labor supply, but results would not show up for at least a year. Logging must be done at least six months, often two years before pulpwood is required. As cutting of pulpwood stands continues, operations must move farther and farther away from streams. This means more road-building, which provides steady work

3. Once cut, the logs are floated downstream to be barked and prepared for pulping. This opertion depends for its success on plenty of snow and late cold. Two years ago, there was not enough late snow to swell the rivers so that they would pick up the wood, stored on the banks, so that some of the winter's cut never reached the mill. Last winter an early thaw cut down the hauling season, meant that much wood was left

Much Greater Pulpwood Cut Is Industry's Chief Need Now

By DWIGHT MOODY

Pulpwood production, which at present is the major governing factor in pulp and paper supply, is expected to show steady improvement in Canada from now on, but over the next year the improvement is likely to be comparatively small.

Wood cutting in the summer months east of the Rocky Mountains (the only report yet available) has shown a gain of about 10% over last year. The real cutting season, however, doesn't start in central and eastern Canada (main producing centre) until late fall. It continues during the winter months when the snow permits relatively easy movement of logs to the river banks, then the wood moves down the rivers to the mills in the spring breakup.

For this coming winter season, there are likely to be few men available for work in the woods that weren't available last winter. Recruits are drawn chiefly from among farmers. The farmers, after their crops are harvested, move out to the woods and most of them stay on the job until the spring breakup, when they return to their farms for spring planting.

To Lose Some Workers

The relatively small number of former woods workers who went to war plants early in the war may not return to woods work to any extent. It is expected that some of these men may prefer to hold off while looking for jobs that will pay better than woodcutting. The same may be the case with former woods workers discharged from the military services. It is doubted that many can be counted on for the hard work and modest pay in the woods. In any case it is felt that any important assistance from such sources is not to be counted on this next winter.

At the same time there is the matter of prisoner-of-war help. In the United States as much as three million cords of pulpwood annually has been produced by prisoners of war, and in Canada prisoners also have been used in wood cutting. It is possible that they may continue to be used for a time, but there is nothing very certain on this yet.

Another important aspect is the number of workers that can be kept in the woods throughout the cutting season. A big problem during the war years (when increased farm produce prices have rendered the eastern Canada farmers relatively independent) has been maintenance of a steady working force. Many men have started the season, then failed to return to the woods after the year-end holidays, to be available when the heavy work in woods operations develops. Last year a peak of 54,000 men were working in the woods east of the Rockies, but this situation lasted only a few weeks, and working force throughout the season was variable, with average for the season much below the peak.

Manpower supply in the woods, while its lack has been a serious drawback in the war years, is not the only factor making for a good pulpwood "crop." Like farm work, pulpwood production is very much dependent on weather conditions. Ideal conditions include plenty of snow from early in the winter right through the considerable part of the winter's winter until spring thaws. This permits steady operations and cartage throughout the season. However, too much snow isn't a good thing, as deep snow impedes movement in the woods and slows up and reduces production.

Pulpwood Cutting Needs Men

How much pulp and paper comes out of Canadian mills depends on how much pulpwood can be cut. The pulpwood cut partly depends on weather: too much or too little snow, or a badly timed spring thaw can seriously impede operations. But basically the need in the woods is for men; men who can handle the heavy work of cutting and hauling, the highly skilled operations of driving the pulpwood down the rivers in the spring. In an average year, the pulp and paper industry employs about 100,000 men in the woods, many of them farmers, who are enabled to add to their cash incomes and spread out their working year by working in the woods after the farm labor season is over. This dove-tailing of Canada's two major industries may be one of the most important factors in smoothing out the average Canadian employment, and making for a "guaranteed annual wage" that comes from steady work, not complicated book-keeping.

Some Old Wood Available

Plenty of snow, and cold, late, also is important, as this permits late haulage, and in addition is necessary to swell the rivers to the point where they will pick up the wood stacked on the river banks. Two years ago there was not enough late snow to swell the rivers much, and as a result a cut was left on river banks and never reached the mill. An early thaw also can cut deliveries. Last winter the snow melted early and much wood was left in the woods, and never reached the river banks, and mills.

Some of last winter's stacked wood is now in the forests and can be moved to the rivers, as soon as the snow comes, for next spring's breakup. If snow and other weather conditions are favorable this coming winter, followed by ample water conditions in the spring, a fairly good improvement over last spring's deliveries can be anticipated. Exact total of deliveries, however, can't be forecast accurately at this time.

1944 Figures Higher

Latest Government figures on pulpwood production in Canada, for the calendar year 1944, show mainly the results of production in the 1943-44 winter season. For the calendar year 1944, apparent production of pulpwood in Canada is shown at 8,801,368 cords, compared with 8,668,566 cords in 1943. For the 1944-45 winter cutting season, the Government and industry co-operatively were able to get increased number of men into the woods, also weather conditions were reasonably favorable, and as result deliveries of the pulpwood to the mills last spring showed an appreciable increase—as will be shown in 1945 calendar year figures. The increase in pulp deliveries has permitted this year (up to 1946 deliveries) a gain in pulp output, also paper production.

In the 1944 calendar year figures, Quebec's production, at 5,038,226 cords, is shown greater than output from all the other provinces combined. Ontario's total was 1,816,644 cords, British Columbia 630,916 tons, all other provinces 1,182,780 cords.

Cutting Costs Up

Reflecting increased wage and other costs, which have carried through to a degree in higher pulpwood prices, value of Canada's 1944 pulpwood cut rose to $124,363,926 from $110,844,790.

Amount of pulpwood used in Canada in calendar year 1944 was 7,177,639 cords against 7,263,155 in 1943, exports totalled 1,499,136 cords against 1,540,592, imports 8,209 cords against 2,379.

Pulpwood costs again are likely to be higher this coming season, continuing an upward trend that has prevailed through the war years.

The 10% increase in summer wood-cutting operations is not, of course, a reliable index to possible results this coming winter season. Summer woods operations, as a rule, are confined mostly to maintenance and improvement work in the woods. This has been true particularly during the past few years, as there has been an arrangement with the Government whereby woods activities in the summer are kept at a minimum so as to permit maximum possible number of men to be available for farm work, and in return the Government has given every co-operation, after harvests are over, in getting men into the woods for winter pulpwood cutting.

The 10% increase in activity in the woods this summer, however, suggests that perhaps a similar increase in manpower supplies for the winter may develop.

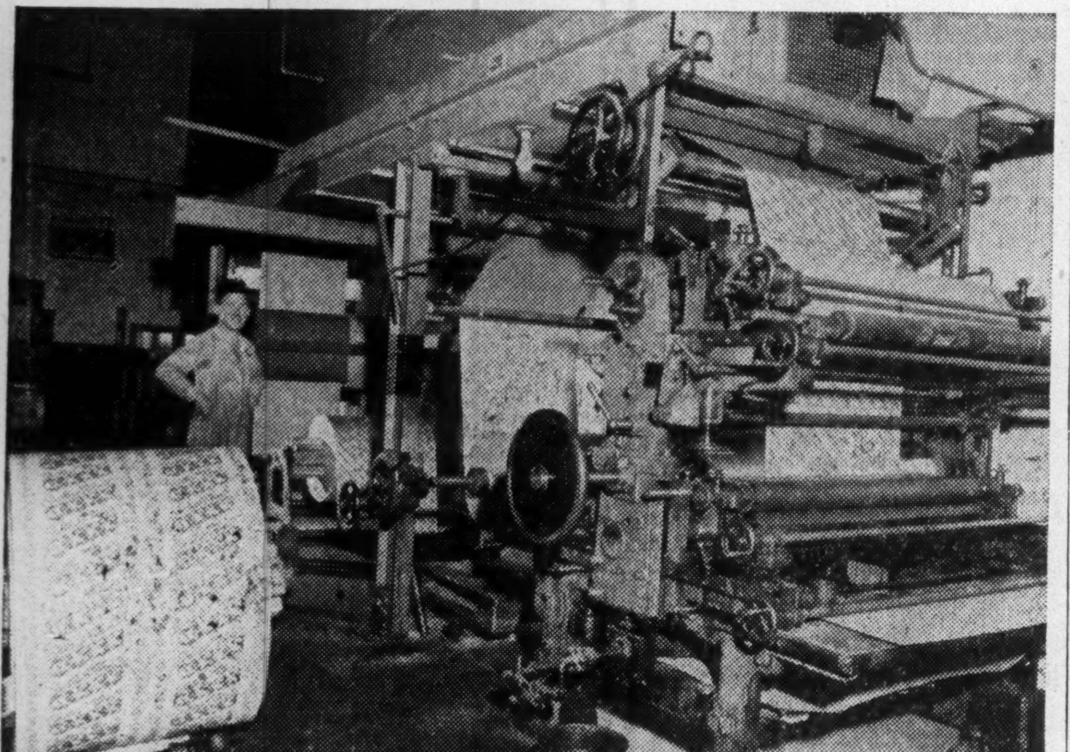
Quebec Province

The clear statement of policy from Ottawa that work in the woods in the winter would not increase liability of farmers to military call-up was a contributing factor in getting more men into wood-cutting in Quebec Province in the 1943-44 winter, and was a contributing factor in the increase in 1944 calendar year pulpwood production to 5,038,226 cords from 4,713,032 cords the year before. In Quebec province, the French-Canadian habitant farmer is the backbone of woods activities.

Last winter, again, there was an increase in manpower supply in Quebec woods.

Weather conditions in Quebec province during the past two winters have been reasonably favorable. Last season some wood was left in forests because of the early thaw, but this will be available this coming season. The year before river levels were relatively low in the spring and considerable wood was left on river banks, but most of this was moved down to the mills this past spring.

For the coming season some increase in manpower supply is expected, but the increase is unlikely to be very great. Weather conditions and willingness of the men to stick through the season will be important factors in determining total of next spring's deliveries. Last winter the men stayed in the woods better than in previous wartime seasons.

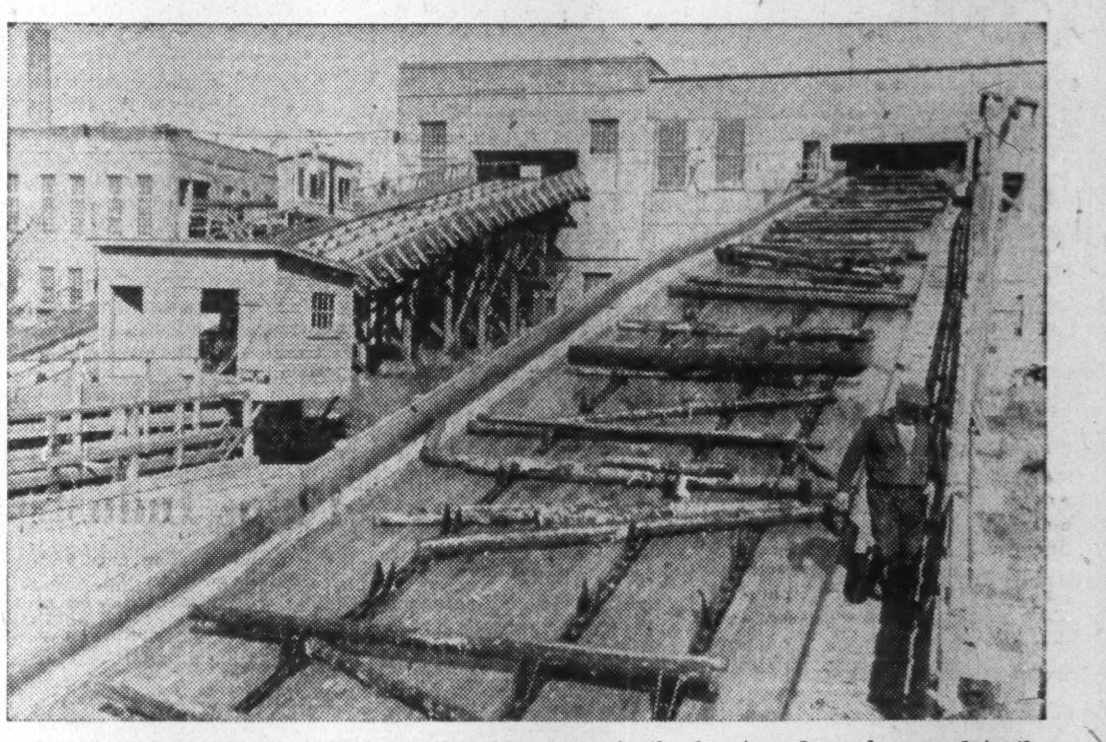


Colorful bread wrapping helps to sell the products of Canada's wheat fields. Here bread wrappers are printed on a west coast aniline press. More attention to eye-appeal is forecast.

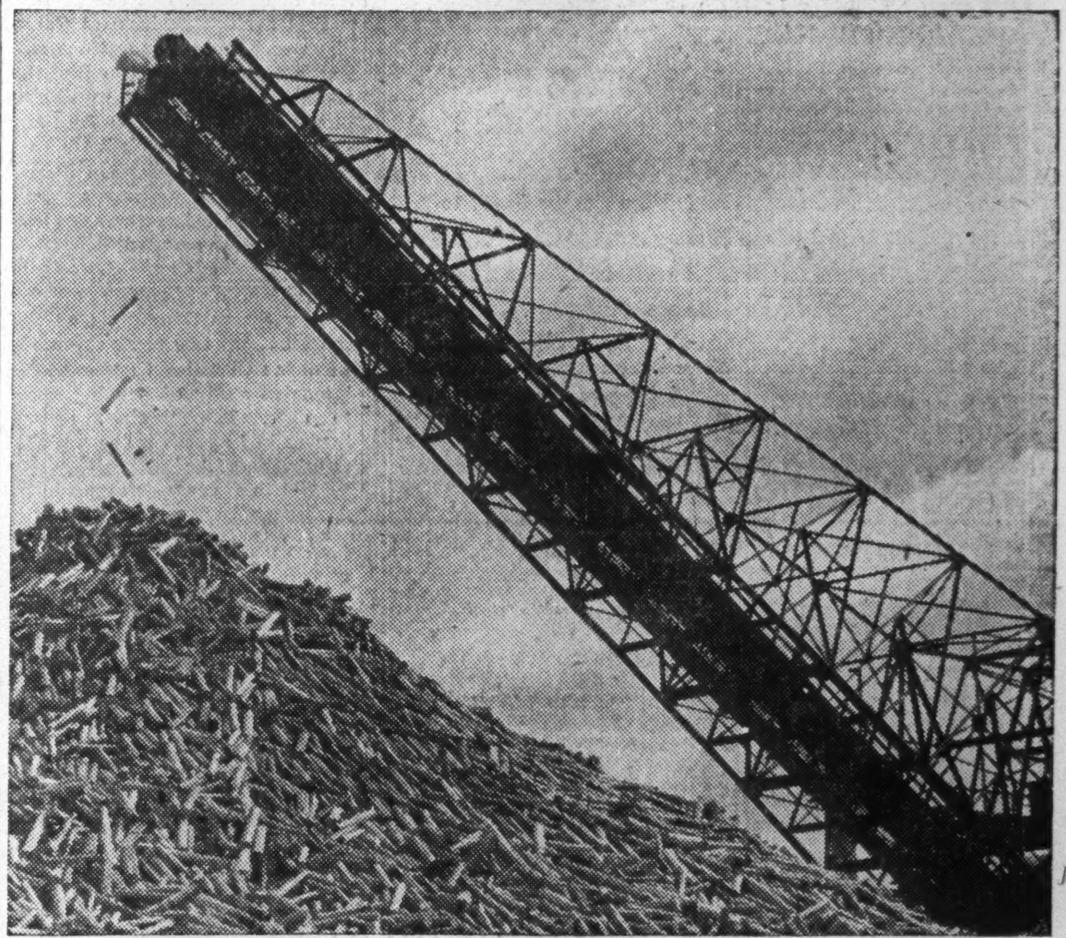
Pulp and Paper is a Market—

	(annual purchases)
For Transportation	$60,000,000
For Power	30,000,000
For Pulpwood*	18,000,000
For Chemicals	14,000,000
For Fuel	13,000,000
For Food Supplies	7,000,000
	*132,000,000

* Includes only pulpwood purchased from farmers and settlers, not pulpwood cut on timber limits.



4. After the wood has been floated to the mill, it is barked and cut into proper lengths for pulping. Some of last winter's stacked wood is now in the forests and can be moved to the rivers, as soon as the snow comes, for next spring's break-up.



5. Reserve stacks of pulpwood have been seriously depleted during the war, as mills drew on previous year's surplus to maintain and even increase production

6. Up the flume into the mill goes the pulpwood ready for processing into groundwood pulp.

Sweet and cool in any Pipe

BRIER

CANADA'S
STANDARD PIPE TOBACCO

179

Southern Canada Power Co. reports gross earnings of $3,263,504 for the 11 months ended Aug. 31, 1945, compared with $2,973,627 for the corresponding period of last year. Total deductions for operating expenses, taxes, dividends, etc. amounted to $3,252,902 as against $2,999,541 for 1944 leaving a surplus of $10,602 as against a deficit of $25,914.

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New Houses - 'Dry Wall' Design – World Market Promise Full-time Job for Building Materials

Canadian architects and builders aren't imitating the Japanese house of paper, but are planning increased use of paper's chief ingredient, wood pulp, in building the relatively new and low-cost "dry-wall" house.

Dry-wall construction employs factory-made components — sheets, squares, etc., of or including wood fibre—variously for interior finish, exterior sheathing, insulation and acoustic treatment.

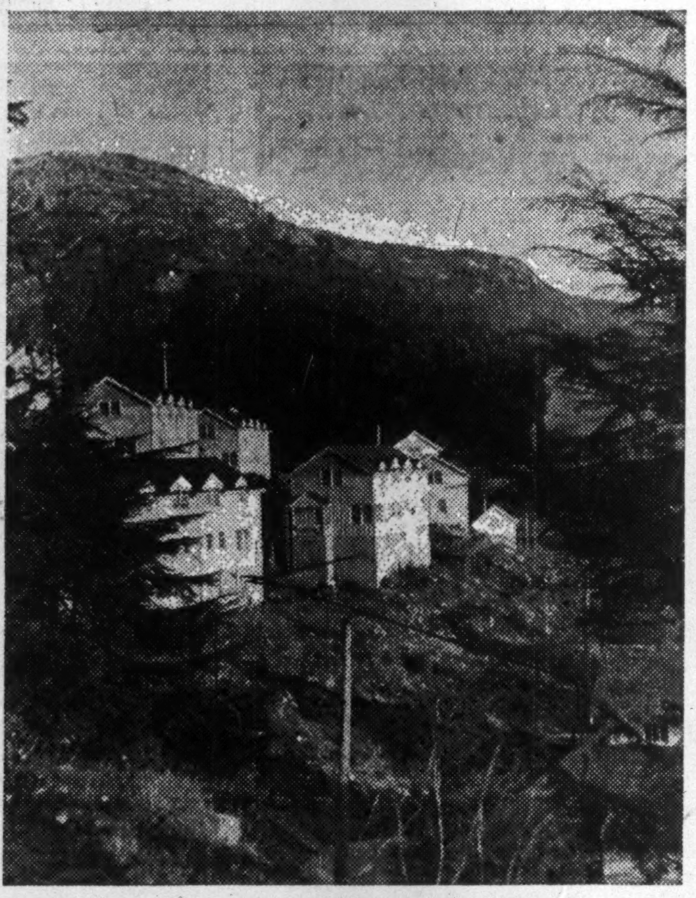
To the fore currently, among factors in the progress of the dry-wall method are shortage of competing materials, brick for instance, and of skilled masons and plasterers. Another, and some say more potent assist for dry-wall, is the ascending cost of building —now 50% over pre-war in some localities—which puts a premium on any device that will save work on the job site.

Good News for Pulp

If dry-wall fails to stir enthusiasm among brick and plaster men, it has other import for the large and growing "board" division of the huge Canadian pulp and paper industry. For pulp, dry-wall's recent advances in technique and consumer acceptance mean more jobs, further diversification and growing sales volume both now and for the longer term.

Other lines of course stand to profit from the development—for example, gypsum — fibre, asphalt-impregnated and cement-asbestos sheets, roofing and siding. And there may be entirely new sheet building materials (plywood and hardboard are improved, not new), some utilizing forest wastes such as bark and sawdust, instead of pulp. But the largest stake in dry-wall's progress appears to be that of the Canadian wood pulp industry which, it will be remembered, supplies the vast U. S. building materials market as well as our own.

Whatever the rate of advance of dry-wall construction, Canada apparently can consume great quantities of building board and related materials; before long may be shipping much abroad. For these materials are widely used in ordinary building, and building is one pursuit in which most of the civilized world is preparing to engage on an unprecedented scale.



One of the advantages of the pulp and paper industry is its decentralization. Employees are not crowded into large and congested cities but can find ample space in which to erect adequate houses. Most paper companies have developed town sites with rental housing for their employees.. These duplexes at Ocean Falls, B.C., are an example of a recent housing development.

To building board plants, war's end is bringing not only a widening market but more manpower and pulp supplies with which to serve it. Labor shortage in the woods and mills isn't being wiped out overnight but there are signs of improvement as workers remigrate to "civilian" jobs in Canada's woods, mines and mills.

Building Strains at Leash

Estimates of potential building demand in Canada vary widely but all are agreed that effective demand for houses, schools, stores and the rest may run to hundreds of millions of dollars in each of the next few years.

In housing, largest consumer of building board and related materials, estimates so far have been mainly of "need" rather than of demand. But the present capital savings position of Canadians and their corporations and institutions, together with the apparent adoption of the full employment principle by business and government powerfully suggests a greatly expanded house-building program as soon as projects and materials factories can be adequately manned.

The Curtis Committee (subcommittee on housing of the former James Committee on Reconstruction) two years ago made what is still called Canada's most intensive study of housing needs to date. The finding: 660,000 houses in 10 years is the national requirement. A similar estimate—300,000 in 5 years—was made by Canadian Construction Association.

Ottawa's official target for the first full year after V-E Day is 50,000 houses by next summer. This isn't far short of the requirement estimates referred to previously but it did overrate immediate capacity of the industry, whose operations have been seriously impaired by shortage of manpower and major materials such as lumber, brick, plumbing and, of course, wallboard.

Some observers of building and materials trends expect demand for fibre board and related dry-wall components to exceed the wartime peak that found these materials going into thousands of Wartime Housing units and military cantonments, temporary hospitals and huge temporary military headquarters buildings in Ottawa and elsewhere.

While this government market has been evaporating rapidly for more than two years, as war building was cut back, the federal public housing program has taken a new lease on life with upward of 2,800 units under construction across Canada by a score of general contractors under Wartime Housing Ltd., out of 8,000 to 10,000 units programmed.

Concurrently, private building volume has shown sharp and consistent gain. Whereas in the first six months of each of 1939-40 houses ordered (Maclean Building Reports, contracts awarded) numbered below 10,500, the six-month figure had jumped to 14,000, 14,300 and 14,650 in the opening halves of 1941-42-43. For last year the six-months order volume exceeded 20,500 and this year it was over the 26,000 mark.

And it is still climbing. The same statistical source (Maclean Building Reports, contracts awarded) reports residential orders last month of over $20 millions, $11 millions above the corresponding figure for Aug. 1944. General construction other than housing, some branches of which are substantial consumers of sheet materials and related building products, also has shown marked gain. Contract awards for seven months of this year exceed $266 millions, all categories, as against $209 millions in the first seven months of 1944.

Residential construction actually carried out, as reported (preliminary) by DBS, last year reached $72.5 millions from a $58.2 millions level in 1943, and indications are that volume of 1945 "actual production" will exceed last year's final figure substantially, despite shortages which in every province are slowing job operations and delaying inauguration of new projects.

Building Products

Building Products, Ltd., produces and markets over 50 different types of roofing and other building products. Its output includes asphalt shingles and tiles, roll roofing, roofing felt, wall board, insulating board and sidings, building papers, expansion joints, waterproof paints and cements, felt sand sheafing papers, and allied products.

The company operates ten plants in Ontario, Quebec and Manitoba, manufacturing materials used in construction of new buildings, also materials for most repair jobs.

The company's chief activities are in production of materials for low-cost dwellings. During the war, substantial sales have been made to the Government for wartime housing, also for private dwelling construction.

Sales have been at a high level for some time, with operating profits in recent years well in excess of $1.5 millions, or more than double pre-war level. Retainable earnings after taxes, however, have not kept pace. Earnings in 1944 amounted to 69 cents a share on common after all charges including refundable part of the Excess Profits Tax, and under present tax regulations, not much improvement in retainable earnings can be achieved. However, at the end of 1944, refundable portion of Excess Profits Tax had mounted to $366,915, and has been further increased this year.

Because of the present needs for the company's products to meet urgent housing requirements, the company was given priority privileges in order to construct additions to its Ville LaSalle (Montreal) plant, also additions to other plants. At Ville LaSalle, additions cost $550,000 plus $100,000 for storage, while major improvements to plants at Hamilton, Winnipeg and Pont Rouge cost another $350,000. This work has now been largely completed, and the new units at Ville LaSalle have been in production over a month. The new mill is producing felt sand sheafing papers for B. P. asphalt roofing, shingles, sidings and building papers. Capacity of the addition is rated at 12,000 tons of paper annually.

Sales so far this year have increased over last year, when a new all-time record high was set.

In July, the company sold a new issue of $1 million 2¾% serial debentures, to provide additional working capital in connection with the plant expansion program. The issue was placed privately by A. E. Ames & Co. Pro forma balance sheet as of March 31, 1945, showed current assets at $3,618,819 as against current liabilities of $809,890.

Donnacona

Donnacona Paper Co. has been a manufacturer of insulating board since 1929, and in 1939 the manufacture of acoustical board was started.

Throughout the war, demand for the company's building board production has been at a high level. Much of the output in recent years has gone to the Government to be used in wartime housing.

The company's insulating board mill has an annual capacity of 75 million square feet. In 1940, a

(Continued on page 20A)

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DAILY CAPACITY 630 TONS NEWSPRINT
and 80 TONS UNBLEACHED SULPHITE PULP

Owns timber limits on Manicouagan, Sault-au-Cochon, and Montmorency Rivers, Quebec; owns and operates mill at Quebec City containing four large newsprint machines and one sulphite pulp drying machine.

OFFICES AT QUEBEC CITY
Direct Communication With Both Canadian Railways
PRIVATELY OWNED WHARF AT TIDEWATER

PRICE & PIERCE
LIMITED

1058 SUN LIFE BUILDING
MONTREAL

WOOD PULP

Head Office:
London, England

NEWFOUNDLAND

OFFERS NEW OPPORTUNITIES
FOR CAPITAL INVESTMENT

Newfoundland & Labrador constitute one of the largest remaining sources of pulp timber in the world.

• • •

Newfoundland & Labrador possess inexhaustible sources of energy in undeveloped water powers.

• • •

Great natural wealth together with unlimited power will ensure successful economic development and continuity of operation.

GREAT NATURAL WEALTH
UNLIMITED POWER — OPPORTUNITY

AWAIT THOSE WHO HAVE
THE FINANCIAL MEANS AND THE POWER OF INITIATIVE
TO AVAIL OF THEM.

Fine Paper Supplies Continue To Be Tight Though Mills Race To Fill Essential Orders

Canadian white, or "fine," paper production has continued this past year at the maximum level permitted by available manpower supplies, and best opinion in the trade is that a tight supply situation is likely to continue during the next year. White paper has had a high essentiality rating, and the producers have been given government co-operation and preferred position in matter of pulpwood and manpower supplies.

In pre-war years, considerable white paper was imported into Canada. This situation changed in the war years. With the Scandinavian countries out of the picture as pulp exporters, a very acute pulp shortage developed in United Kingdom and other overseas countries, and the pulp shortage also has been serious in the United States. Need for white paper in the war has increased (an instance is the sharp increase in governmental business office needs), and supply consistently has been below demands. Canadian producers have been called upon, not only to provide for domestic needs, but also to meet essential needs in Allied countries—they have become exporters.

Distribution Controlled

For a time, in the war, there was some curtailment of production of white paper. Operations were restricted to 90% of output in the base period October, 1941, to March, 1942. But early last year, the acute overseas supply picture was such that orders were issued for full-out production in Canada, with the increased output for export.

United States mills were made responsible for Latin American needs. Canada was assigned by the Combined Production and Resources Board at Washington for providing for essential needs in New Zealand, Australia, Ceylon, Rhodesia, Middle East Command, and elsewhere.

End of the German war has made possible, this year, resumption of Scandinavian exports, but so far the movement from this source has been relatively only a trickle. Not much pulp from Norway, or from Finland (except to Russia), can be expected for some time. And the coal shortage (necessity of using wood for fuel) has been a factor for Europe generally, while shipping shortage limits the export of Swedish pulp, particularly to this country.

Shortage Continues

Unfilled orders for white paper in the United States at end of July approximated 180,000 tons, or around wartime high. In Canada, where users have been unable to receive any benefit from increased Canadian fine paper production this year, needs are still well in excess of supply.

The Canadian Government has imposed restrictions on production and use of white paper in the Dominion, requiring elimination of many types and colors and narrowing the number of lines available (to obtain maximum production and minimum productive time wastage), also setting up priorities as to usage. Only a gradual easing of these restrictions is now indicated.

In any case, the probabilities are for full-out production at Canadian fine paper mills for at least another year.

Due to fixed ceiling prices, while costs have edged gradually upward, there has been a progressive squeeze on profit margins of the fine paper producers in recent years, and this trend—declining operating profits—has continued this year. Future profit margins depend to a considerable extent on government policies in matters of taxation, as well as those affecting price and cost levels.

Alliance Paper

Alliance Paper Mills Limited, a subsidiary of Howard Smith Paper Mills Ltd., has head office at Merritton, Ontario, near St. Catharines. The company owns two paper mills, a sulphite mill and a bag mill at Merritton, Ontario, and a coated paper plant at Georgetown, Ontario.

Through its subsidiary, Don Valley Paper Company, a specialty mill at Todmorden, near Toronto, is also operated. Another subsidiary, Lincoln Pulp and Paper Company, holds by crown lease approximately 281 square miles of timber limit adjacent to the Little Cascapedia River, Quebec.

Capacity of these plants totals 14,000 tons of paper, 5,000 tons of coated paper, 25,000 air dry tons of sulphite pulp and nine million flour sacks annually.

Canada Paper

Canada Paper Co. manufactures book, writing, wrapping, tag, cover tissue and specialty papers, paper bags, bleached and unbleached kraft, pulp and groundwood pulp.

A wholly owned subsidiary of Howard Smith Paper Mills, Ltd., the company at one time manufactured newsprint, but since the properties were taken over by Howard Smith, in 1929, there has been no newsprint made.

Canada Paper operates a plant at Windsor Mills on the St. Francis River in Quebec. The Windsor Mills properties include a sulphate pulp mill, a two-machine paper mill and a converting plant. The paper conversion plant manufactures bags, window blinds, paper towels, toilet paper, etc. In 1942 this plant was enlarged and expanded in capacity.

Another plant, the St. Francis mill, about one half mile up the river from the Windsor Mills plant, has two paper machines, one running on envelope, litho, book papers, specialties, etc., and the other on kraft, rotogravure, book and halftone, etc. There also is an electrically driven ground mill.

The plants of the company have annual capacities of 43,000 tons of kraft, wrapping, book and specialty paper; 40,000 tons of kraft pulp; 8,000 tons of groundwood pulp; 300 million paper bags and 10 million shipping tags.

The company owns 35,000 acres of freehold timberland.

The company in recent years has earned its $7 annual preferred dividend requirements by a wide margin. Through extra payments in 1940, 1941 and 1943, the company cleared up all dividend arrears.

On March 1, 1945, the company redeemed the $125,000 outstanding 3½% first mortgage serial bond issue, due 1945, at 101, and the $700,000 outstanding 4¼% first mortgage bonds, due 1952, at 102. Funds for the redemption were provided by the parent company, Howard Smith Paper, which sold early this year a $4 million 3% first mortgage bond issue to provide funds for this purpose and for retirement of Howard Smith old bonds.

E. B. Eddy

Fine papers are the chief product of E. B. Eddy Co., one of the oldest producers of this type of paper in Canada.

The firm is now owned by W. Garfield Weston, who purchased early in 1943 the stock holdings of Viscount Bennett, who reportedly held 51% of the stock, and also those of the Gatineau Power Co., which held the remainder. The firm has always been privately owned, and financial statements had never been made public. It has always been understood, however, to be in a profitable operating position.

On May 1 of this year the company resumed newsprint manu-

(Continued on page 17A)

NORTON PULPSTONES
IMPROVE PAPER FINISH

Undesirable variation shows when pulpstones do not hold their impression. But with NORTON Pulpstones, even after several days' operation, the impression is always well defined. Sharpening, when needed, is simple. As a result, the pulp is *always* of good quality, both before and after burring. Reduce waste, improve quality, and step-up production with NORTON Pulpstone in your mill.

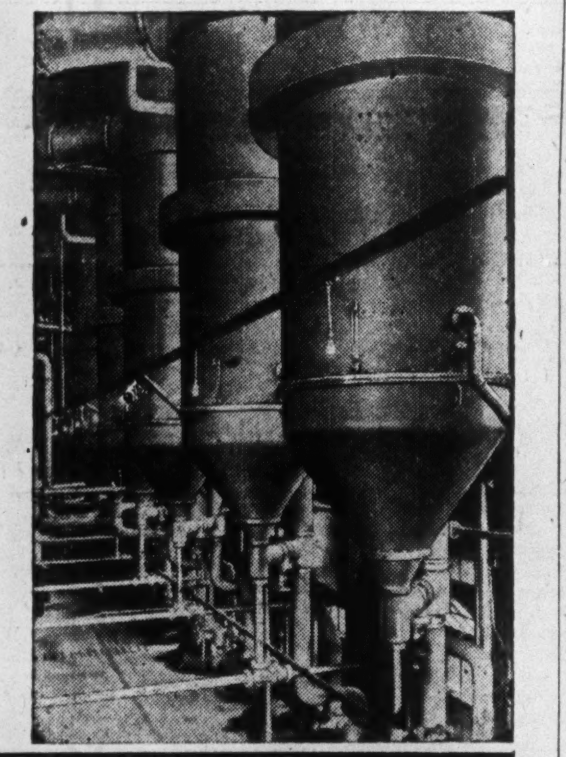
NORTON COMPANY OF CANADA, LIMITED
HAMILTON ONTARIO

NORTON ABRASIVES

Steel Plate Work
IS OUR SPECIALTY

T.I.W. STEEL PLATE PRODUCTS

When you sit down to plan with T.I.W. you have at your disposal an engineering and manufacturing organization that can be of genuine help to you in selecting the type and size of any Steel Plate Work you need. We are eager to demonstrate to you, today, the ability of T.I.W. to design, fabricate and erect, any steel plate job to your complete satisfaction.



The Swenson Multiple L.T.V. Evaporators shown here are illustrative of many Steel Plate Products built in Canada by T.I.W. for the Oil, Chemical, Soap and Pulp and Paper Industries.

T.I.W. also make all types of storage, mix, wash, measuring, and absorption tanks, as well as causticizers and pressure vessels.

14N

THE TORONTO IRON WORKS LIMITED
TORONTO DESIGNERS - FABRICATORS - ERECTORS MONTREAL

FOR PAPERS OF QUALITY

High Grade

UNBLEACHED SULPHITE

GASPESIA SULPHITE COMPANY, LTD.
POST OFFICE BOX 1487 • QUEBEC, P.Q., CANADA

185-Ton Mill at Chandler, Quebec; Head Office at Quebec, P.Q., Canada.

Water shipments in SMALL or LARGE Cargoes from Port of Chandler, on Gaspe Coast.

Used to the Last Chip

Pulp and paper producers are conserving wood supply not only by scientific forestry methods but in their methods at the mills, where* pulpwood now is used to the last chip.

Research has developed many processes for eliminating waste. Changes in digesting or cooking of wood chips have increased the usable fibre. New methods of removing bark have saved about 14 per cent of wood which was previously lost.

Other processes now permit the use of various species of wood, such as Jack Pine, formerly regarded as worthless.

The aim of this industry is the most effective use and conservation of pulpwood supply, both in the woods and at the mills. In this aim the companies seek the cooperation of governments and the public for preservation of one of the country's major assets.

ANNUAL FOREST CONSUMPTION
(Average ten years—1930-39)

DESTROYED BY:	
Fire, insects, disease, etc....	30.5%
USEFULLY CUT FOR:	
Fuel....................	25.7%
Sawmill products.........	22.2%
Pulp and paper..........	17.4%
Ties, poles, etc...........	4.2%

Above is shown a big B.C. Sitka Spruce log going up to the mill.

*THE PULP AND PAPER INDUSTRY OF CANADA

*80 companies, small and large, with 105 mills from coast to coast.

CANADA'S MOST VALUABLE INDUSTRY

4 *United* DIVISIONS

Are ready to serve Canadian Industry in Reconstruction and Peace as effectively as they served in War.

United Steel Corporation Ltd.
Head Office and Dodge Manufacturing Division, Toronto, Ont.

Canadian Mead Morrison Division
Hoisting and other Mechanical Equipment, Welland, Ont.

Standard Steel Division
Steel Fabricating Plant
Port Robinson, Ont.

Farrand & Delorme Division
Steel Fabricating Plant
Montreal, Que.

UNITED STEEL CORPORATION *Limited*
DODGE MANUFACTURING DIVISION • CANADIAN MEAD MORRISON
TORONTO • WELLAND • MONTREAL • WINNIPEG • KIRKLAND LAKE

The Financial Post Statistical Record of Major Pulp and Paper Companies

Unless otherwise stated, the year taken is the calendar year; net earnings, the amount available for depreciation, bond interest, write-offs and taxes, after all expenses; total income taxes, the gross amount of income taxes including refundable portion, if any; net profit is shown on a "retained" basis after total income taxes as defined; surplus for year is the balance of "retained" net profit after dividends provided for the year; total refundable portion is the accumulated total to the end of the latest fiscal year shown.

NEWSPRINT GROUP

Company	Year	Wood Resources Cords or Sq. Miles	Mill Capacity Annual Tons	Funded Debt $	Net Earn. $	Deprec. $	Times Int. Earned After Deprec. No.	Total Inc. Taxes $	Net Profit After Total Taxes $	Earnings per Share: Preferred Excl. Ref. EPT $	Preferred Inc. Ref. EPT $	Common Excl. Ref. EPT $	Common Inc. Ref. EPT $	Dividends Paid Pref. $	Dividends Paid Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	Officers
ABITIBI POWER AND PAPER■	1944	50,885,000	605,000	27,313,022	9,714,398	♦4,183,343	....	1,250,000	1,043,740	....	....	....	....	...	....	1,043,740	24,260,133	......	G. T. Clarkson, receiver and manager; R. S. McPherson, liquidator; Toronto.
Company in receivership.	1943	Cords		27,994,860	9,808,094	4,500,000	....	1,000,000	930,853	....	....	....	....	...	....	930,853	25,531,985	......	
BOWATER'S-NEWFOUNDLAND	1944	20,000,000	210,000	26,534,860	2,568,946	♦843,161	1.70	....	711,508	....	....	0.24	....	...	0.22	41,008	8,637,975	......	Sir Eric V. Bowater, pres., London, Eng.; G. S. Currie, 1st vice-pres., Montreal; H. M. S. Lewin, vice-pres. & gen. mgr.; J. H. Keeling, G. W. Shaw, Corner Brook, Nfld.; W. A. Reid, Hon. Ira Wild, St. John's, Nfld.; C. G. Heward, Montreal; A. B. Meyer, A. A. Ritchie, New York. Sec.—J. C. Fitzgerald. Treas.—W. Herdman.
Controlled by Bowater's Paper Mills, London, Eng.	1943	Cords		26,739,285	2,127,348	♦847,803	1.24	....	248,355	....	....	0.08	....	...	nil	248,355	7,998,555	......	
BROMPTON PULP & PAPER§	1944	8,000,000	62,100	475,976	†1,002,813	♦436,593	....	256,468	309,752	....	....	1.03	....	...	1.00	9,752	3,288,307	......	A. F. White, pres., Toronto; R. W. Steele, vice-pres., Montreal; P. H. Scowen, gen. mgr., East Angus, P.Q.; J. I. Rankin, N. A. Timmins, Jr., G. B. Foster, Dr. C. W. Colby, Montreal; F. C. Baker, Lennoxville, P.Q.; D. J. Salls, Sherbrooke, P.Q. Compt. & sec.-treas.—L. A. Tucker.
Controlled by St. Lawrence Corp. †After bond interest.	1943	Cords		475,976	†1,005,299	♦437,153	....	267,287	300,859	....	....	1.00	....	...	1.00	859	4,073,311	......	
CANDN. INTER. PAPER CO.■	1944	53,000,000	682,000	53,186,000	10,023,594	♦4,947,606	1.35	1,842,910	d515,198	....	....	d5.15	d2.38	...	nil	d515,198	43,250,558	276,871	J. H. Hinman, pres.; S. L. de Carteret, vice-pres. and gen. mgr.; Major-Gen. J. B. White*, vice-pres., Montreal; W. N. Hurlbut, New York, vice-pres.; R. C. Doane, vice-pres.; H. R. Weaver, vice-pres. & treas.; R. J. Cullen, Lt.-Col. J. H. Phipps, J. F. Rollins, A. H. Wiggin, New York; J. A. Eccles, W/C L. P. Gelinas, G. H. Montgomery, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; F. K. Morrow, Toronto; H. P. Robinson, Saint John, N.B.; Chenier Picard, Sherbrooke, Que.; R. G. Ivey, London, Ont. Vice-pres.—E. L. Crooker, F. G. Robinson, C. B. Thorne. Sec.—Roy Campbell. *Deceased.
Controlled by Canadian Inter. Paper Ltd. and International Paper Co.	1943	Cords		53,235,376	9,537,003	♦5,748,152	1.01	803,533	d760,452	....	....	d7.60	....	...	nil	d760,452	36,155,895	......	
CONSOLIDATED PAPER§	1944	62,000,000	629,610	43,803,222	10,102,569	4,559,574	2.37	1,600,000	1,107,653	....	....	0.43	....	nil	nil	7,062,578	25,811,952	......	L. J. Belnap, pres.; Francois Faure, vice-pres.; C. R. Whitehead, vice-pres.; N. J. Dawes, W. H. Howard, G. M. Todd, R. H. McMaster, E. A. Macnutt, C. F. Sise, Hon. C. A. Dunning; Montreal; Col. H. D. L. Gordon, Toronto. Vice-pres. & Compt.—George Henderson. Exec. Vice-pres.—G. M. Hobart. Mgr. of Mfg.—Richard Collins. Sec.—G. W. Hodgson. Treas.—D. L. Adams.
	1943	Cords		45,643,967	9,329,526	4,583,291	1.93	1,000,000	1,294,229	....	....	0.51	....	nil	nil	5,388,121	22,404,237	......	
DONNACONA PAPER §	1944	1,000 sq. m.	85,000	5,860,000	1,314,688	♦548,206	‡2.78	200,000	273,725	....	....	0.73	....	...	0.50	85,439	2,446,688	......	R. P. Kernan, pres., Quebec, P.Q.; L. W. Michael, vice-pres. & sec.-treas., Donnacona, P.Q.; Hugh Mackay, A. P. S. Glassco, Montreal; C. A. Cannon, Gaston Pratte, Quebec, P.Q. Asst. sec.-treas.—C. Leveille.
†After loss of $319,225 on realization of Hearst notes. ‡Bond interest only.	1943			6,210,000	1,514,084	♦522,607	‡3.36	150,000	†194,846	....	....	0.52	....	...	nil	194,847	2,511,142	......	
GREAT LAKES PAPER■	1944	*	116,300	4,881,060	1,648,653	685,845	3.34	265,000	320,674	1.60	....	d0.79	....	1.50	nil	20,674	3,806,693	12,000	Hon. W. E. Rowe, pres. and man. dir.; A. D. Cobban†, vice-pres.; R. G. Meech, C. B. Shields, A. B. Gordon, Toronto; L. E. Aldrich*, Chicago; Ray Lawson, London, Ont.; Joseph Horner, Jr., W. C. Cochrane. Vice-pres. i/c sales—J. E. Gefaell. Sec.-treas. and asst. to pres.—Charles England. Asst.-treas. and compt.—F. K. Carlisle. *Representing the publishers. †Deceased.
*Figures not available.	1943			4,979,500	1,914,394	768,098	3.27	220,000	349,040	1.75	....	d0.51	....	1.50	nil	49,040	3,700,049	12,000	
LAKE ST. JOHN PWR. & PAPER■	1944	12,000,000	100,000	7,997,900	†1,526,703	480,825	3.49	200,962	308,770	17.15	....	2.01	....	6.00	nil	200,770	3,445,948	......	A. K. Cameron, chm.; J. I. Rankin, pres., Montreal; A. F. White, vice-pres. and man. dir., Toronto; P. M. Fox, gen. mgr.; A. H. Campbell, H. C. Flood, R. W. Steele, N. A. Timmins Jr., G. B. Foster; all of Montreal; Aubrey Davis, Newmarket, Ont. Sec.-treas.—C. W. Davison.
Controlled by St. Lawrence Paper Mills Co. Ltd. and St. Lawrence Corp. †After bond interest.	1943	Cords		8,622,100	†1,491,354	543,059	3.30	300,000	185,987	10.33	....	0.78	....	6.00	nil	77,987	3,073,944	......	
MACLAREN CO., JAMES	*1944	2,600 sq. m.	105,000	....	1,697,522	493,706	....	751,500	452,316	....	....	....	....	...	...	....	....	......	A. B. Maclaren, pres.; A. R. Maclaren, vice-pres.; H. W. Cressy, mgr.
Wholly owned by Maclaren Power & Paper Co. *Year ended Nov. 30.	*1943			....	1,686,871	695,061	....	707,000	284,810	....	....	....	....	...	...	....	....	......	
MERSEY PAPER CO.	1944	3,300,000	100,000	††4,808,500	1,233,812	492,706	3.42	207,360	306,185	6.12	....	0.21	....	nil	nil	306,185	2,891,182	......	Col. C. H. L. Jones, pres. & man. dir., Liverpool, N.S.; J. McG. Stewart, vice-pres.; B. J. Waters, gen. mgr.; Halifax; T. M. Ratchford, sec.-treas., Liverpool, N.S.; P. R. Jack, J. C. MacKeen, Halifax; N.S.; Col. J. L. Miller, Spithead, Bermuda.
††All called for redemption in June, 1945; private financing done.	1943	Cords		††4,904,500	1,105,421	641,624	1.96	84,689	131,286	2.62	....	d0.96	....	nil	nil	131,286	2,488,068	......	
MINNESOTA & ONTARIO PAPER§	1944	13,700,000	186,000	6,309,650	3,907,290	♦1,524,028	6.78	917,404	1,114,382	....	....	0.83	....	...	nil	1,114,382	10,982,290	......	R. H. M. Robinson*, chm.; D. D. Davis, pres.; J. B. Faegre*, C. T. Jaffray*, S. S. Ford, Minneapolis; Serge Semenenko, Boston; C. S. Garland*, Baltimore; F. M. Gordon, Chicago; G. A. Dobbie, Galt, Ont.; R. S. Waldie*, Toronto. Vice-pres.—R. W. Andrews, C. T. McMurray, R. J. Henderson. Sec. & treas.—R. D. Main. Compt.—F. J. Hickling. *Executive committee.
	1943	Cords		7,822,300	4,458,268	♦1,644,160	6.77	999,851	1,398,455	....	....	1.04	....	...	nil	1,398,455	11,248,107	......	
POWELL RIVER§	1944	390 sq. m.	220,000	....	6,493,363	♦1,966,692	....	2,419,833	2,106,838	....	....	‡1.57	‡1.72	...	†	762,143	5,376,963	597,700	S. D. Brooks, chm.; H. S. Foley, pres.; R. Bell-Irving, 1st vice-pres.; G. F. Laing, vice-pres.; L. H. Lawson, sec.; D. A. Evans, resident mgr.; Edward Brooks, R. H. Scanlon, Helen S. Sample, J. M. Hollern. Vice-pres.—G. W. O'Brien. Compt.—J. N. Turvey.
‡New stock. †Initial 25c. on new shs. paid Mar. 31, 1945 and regularly since.	1943			....	5,826,140	♦1,355,276	....	1,355,276	1,797,256	....	....	....	....	...	....	91,771	3,567,893	388,300	
PRICE BROS. & CO.§	1944	8,000 sq. m.	400,000	11,700,000	6,665,770	♦1,720,000	‡8.93	2,800,000	*1,073,336	19.05	25.18	1.39	2.02	5.50	1.50	760,620	14,320,778	669,000	H. J. Symington, chm., Montreal; Col. C. H. L. Jones, pres., Quebec; A. A. Aitken, vice-pres.; J. D. Johnson, J. C. Newman, P. F. Sise, W. A. Arbuckle; Montreal; Alfred Marois, A. C. Vicard, A. C. M. Thomson, Quebec, P.Q.; Sir Keith Price, London, Eng. Vice-pres.—John H. Price, Edward Flynn, M. R. Kane. Sec.—Hector Cimon. Treas. and compt.—P. W. Sims.
‡1st mtge. bonds only. *After $500,000 for employ. pens. scheme.	1943			14,741,000	6,130,018	♦2,060,000	‡7.20	1,840,000	1,552,955	26.93	28.77	2.20	2.40	5.50	nil	1,207,903	16,668,194	106,000	
ST. LAWRENCE PAPER MILLS	1944	6,000,000	180,000	....	1,356,180	♦696,631	....	228,978	430,571	3.31	....	d0.68	....	3.00	nil	36,828	4,137,230	......	A. K. Cameron, chm.; J. I. Rankin, pres.; Montreal; A. F. White, vice-pres. & man. dir., Toronto; P. M. Fox, gen. mgr.; H. C. Flood, R. W. Steele, N. A. Timmins, Jr., A. H. Campbell, G. B. Foster; Montreal; Aubrey Davis, Nermarket. Compt. & sec.-treas.—L. A. Tucker.
Controlled by St. Lawrence Corp.	1943	Cords		....	1,518,155	♦771,723	....	240,000	506,432	3.90	....	d0.53	....	3.75	nil	4,354	4,207,417	......	

♦Including depletion. dDeficit. ■Also produces sulphite pulp. §Also produces pulp, kraft or other wood products.

FINE PAPER GROUP

Company	Year	Wood Resources	Mill Capacity	Funded Debt	Net Earn.	Deprec.	Times Int. Earned	Total Inc. Taxes	Net Profit	Pref. Excl.	Pref. Inc.	Com. Excl.	Com. Inc.	Div. Pref.	Div. Com.	Surplus for Year	Working Capital	Total Refund. Portion	Officers
HOWARD SMITH PAPER■	1944	2,000 sq. m.	77,600	4,825,000	4,006,833	♦1,728,523	10.50	972,986	1,056,703	14.74	15.39	1.88	2.02	6.00	nil	626,365	7,864,938	217,341	Harold Crabtree, pres.; E. Howard Smith, vice-pres.; E. K. Robinson, vice-pres.; G. H. Tomlinson, vice-pres.; A. B. Wood, deGaspe Beaubien, W. A. Arbuckle, Howard Murray, J. D. Johnson, G. M. McKee, W. D. Robb, W. H. Howard; Montreal; J. H. Gundy, C. L. Burton, Toronto. Sec.-treas.—K. G. Pendock.
	1943			5,300,000	4,202,053	♦1,715,889	10.71	1,140,375	988,261	13.78	14.04	1.68	1.93	6.00	nil	557,937	6,584,159	170,646	
PROVINCIAL PAPER	1944	2,500 sq. m.	58,900	2,848,500	1,154,905	300,000	4.85	426,000	252,813	7.22	8.47	0.08	0.51	7.00	nil	7,813	3,614,764	109,500	S. F. Duncan, pres.; W. H. Smith, vice-pres.; W. S. Barber, sec. & treas.; G. T. Clarkson, L. R. Wilson, A. F. White, T. Broadhurst, H. Young; Toronto.
All common stock owned by Abitibi Power & Paper Co. Ltd.	1943			2,970,500	1,092,880	300,000	4.36	385,000	225,892	6.45	7.47	d0.19	0.16	7.00	nil	d19,108	3,446,589	66,000	
ROLLAND PAPER	1944	....	25,000	1,900,000	507,284	193,303	3.60	91,852	134,879	8.99	9.02	0.75	0.75	6.00	0.60	8,878	1,283,662	34,341	Jean Rolland, pres.; J.-Pierre Rolland, vice-pres.; Montreal; Hugh Mackay, vice-pres., Rothesay, N.B.; Olivier Rolland, Mont Rolland, P.Q.; J. A. Raymond, J. A. Weldon, Montreal; Jean Paul Rolland, St. Jerome, P.Q.; J. Y. Murdoch, Toronto. Sec.-treas.—J. A. Forget.
	1943			1,975,000	616,423	192,388	4.70	204,543	129,242	8.62	10.19	0.65	1.05	6.00	0.60	3,241	1,201,053	30,140	
WESTMINSTER PAPER	*1945		†9,000	....	210,040	37,699	....	75,000	97,341	....	....	1.02	1.02	...	0.50	73,446	831,087	6,600	J. J. Herb, pres. and chm., Bellingham, Wash.; E. M. Herb, vice-pres. and gen. mgr.; F. F. Foote, sec.-treas.; R. C. Onkels, supt.; J. G. Robson; New Westminster; S. A. Lake*, Vancouver; F. J. Herb, Bellingham, Wash. Sales Mgr.—C. T. Radcliffe. Tech. Dir.—J. Ashby. Prod. Mgr.—J. W. Corder. *Deceased.
*Year ended Jan. 31. †New plant to double capacity in course of construction.	*1944			....	230,937	32,271	....	120,000	78,666	....	....	1.65	1.88	...	0.50	54,771	272,720	11,000	

■Also mfrs. pulp products and by-products. ♦Including depletion.

PULP GROUP

Company	Year	Wood Resources	Mill Capacity	Funded Debt	Net Earn.	Deprec.	Times Int. Earned	Total Inc. Taxes	Net Profit	Pref. Excl.	Pref. Inc.	Com. Excl.	Com. Inc.	Div. Pref.	Div. Com.	Surplus for Year	Working Capital	Total Refund. Portion	Officers
B. C. PULP & PAPER	†1944	242 sq. m.	124,000	4,509,900	1,436,599	445,000	3.26	300,000	352,721	63.42	....	3.14	....	nil	nil	352,721	2,233,627	......	Lawrence Killam, pres.; George Kidd, vice-pres.; R. C. Buchanan, W. H. Malkin, R. C. Allen, Cecil Killam; Vancouver; I. W. Killam, Montreal. Sec.—Miss E. M. Dominy.
†Consolidated statement. ‡General statement. *Subject to adjustment re tax liability which was settled in 1944 and allowance re prior years made of $650,000.	‡1943			4,522,900	1,087,881	566,000	1.76	*100,000	163,531	*29.40	....	*1.25	....	nil	nil	*162,521	1,693,441	......	
BROWN CORP.‡	1944	5,094 sq. m.	120,000	15,326,656	4,665,608	1,409,590	†2.72	1,215,000	1,298,244	8.99	9.87	0.22	0.28	nil	nil	1,298,244	13,384,194	375,351	F. G. Coburn, pres., New York, N.Y.; J. P. St. Laurent, sec., Quebec, P.Q.; Robert Braun, Portland, Me.; O. B. Brown, Berlin, N.H.; J. B. Challies, G. A. Morris, Montreal, P.Q.; J. J. Hagerty, H. P. Kendall, Boston, Mass.; L. F. Whittemore, Pembroke, N.H. Vice-pres.—H. G. Schanche, i/c woods oper.; Wentworth Brown. Vice-pres. & treas.—E. H. Maling. Compt.—R. R. Norwood.
Wholly-owned subsidiary of Brown Co. ‡Returns are for Brown Co. †Based on earnings available for bond interest in accordance with trust deed.	1943			15,332,912	5,019,537	1,775,179	†2.62	1,375,000	1,126,415	7.80	8.88	0.13	0.21	nil	nil	1,126,415	12,797,863	246,845	
DRYDEN PAPER§	*1944	2,000,000	30,000	923,000	481,977	♦263,842	3.36	66,277	85,812	....	....	0.57	0.75	...	nil	85,812	807,347	27,015	F. A. Sabbaton, pres., Montreal; J. S. Wilson, vice-pres., Dryden, Ont.; George Chahoon, P. A. Thomson, Dan McLachlin, J. B. Woodyatt, E. R. Parkins, F. B. Kilbourn, J. R. S. McLernon; Montreal. Gen. mgr. and treas.—L. A. Bruce. Sec.—J. B. Davison.
*Year ended Sept. 30.	*1943	Cords		939,500	568,319	♦279,773	4.14	130,000	79,577	....	....	0.53	....	...	nil	79,577	856,896	......	
FRASER COS.▲	1944	5,340 sq. m.	173,400	7,000,000	6,129,187	♦1,496,694	7.92	2,590,000	1,457,751	....	....	3.93	4.63	...	1.05	1,068,184	5,691,434	569,000	Harold Crabtree, chm., Montreal; Aubrey Crabtree, pres. and gen. mgr.; L. M. Sherwood, vice-pres. and compt., Edmundston; A. H. Campbell, K. S. Maclachlan, H. P. Thornhill, Montreal; A. M. Irvine, Stanstead; S. F. Duncan, Toronto; A. W. Brebner, Campbellton; Hon. R. B. Hanson, Fredericton. Sec.—G. G. Gillies. Treas.—H. H. Henderson.
	1943			8,943,000	5,457,070	♦1,593,043	6.45	2,558,500	706,679	....	....	1.90	2.47	...	....	706,679	5,678,778	310,000	
MINAS BASIN PULP & POWER	1944	250 sq. m.	30,000	710,000	167,200	61,005	*2.17	25,000	23,995	9.60	†	0.93	†	nil	nil	23,995	♦132,870	†	R. A. Jodrey, pres. & man. dir.; D. W. Murray, vice-pres.; J. J. Jodrey, asst. mgr. & sec.; G. H. Nichols, treas.; T. B. Akin, Jr., C. P. Wyman, L. G. Bishop, Hantsport, N.S.; G. A. Chase, L. B. Chase, Port Williams, N.S.; F. M. Covert, F. C. Manning, R. W. Harris, Halifax; K. L. Crowell, Bridgetown, N.S.; Mrs. A. L. Wright, Wolfville, N.S.; Albert Parsons, Walton, N.S.
†Figures not available. *After int. on loans. ♦Excess of curr. liabs. over curr. assets.	1943			743,000	191,112	54,791	*2.61	50,000	21,910	8.76	11.16	0.63	1.49	nil	nil	21,910	♦184,057	6,000	

§Also produces kraft, manila and building papers, bags, etc. ▲Also produces bond and specialty papers and lumber products. ♦Including depletion.

MISCELLANEOUS GROUP

Company	Year	Wood Resources	Mill Capacity	Funded Debt	Net Earn.	Deprec.	Times Int. Earned	Total Inc. Taxes	Net Profit	Pref. Excl.	Pref. Inc.	Com. Excl.	Com. Inc.	Div. Pref.	Div. Com.	Surplus for Year	Working Capital	Total Refund. Portion	Officers
BARBER-ELLIS OF CANADA●	1944	....	......	322,400	‡314,136	....	15.63	234,000	60,042	50.04	84.20	1.27	0.90	3.50	0.75	22,842	673,446	97,800	E. Harvey Ellis, chm. and pres., Toronto; C. G. Ellis, vice-pres. and gen. mgr., Brantford; Harold Holt, sec.-treas., Toronto; J. S. Ellis, Montreal; F. M. Ellis, Arthur Fogler, T. A. Thornton, K. W. Murphy, Edward H. Ellis; Toronto.
‡After depreciation.	1943			334,900	‡310,218	....	14.91	245,000	43,700	36.42	73.08	2.20	1.90	3.50	0.50	17,500	727,982	56,800	
BATHURST POWER & PAPER										"A"		"B"		"A"	"B"				R. L. Weldon, pres.; H. J. Webb, vice-pres. & sec.-treas.; P. A. Thomson, vice-pres.; Joseph Simard, F. J. Campbell, A. J. Nesbitt, J. B. Woodyatt; Montreal; H. P. Robinson, Saint John, N.B.; R. G. Ivey, London, Ont.
	1944	18,500,000	▲45,000	....	1,344,076	♦480,094	....	353,108	380,450	0.95	0.95	d1.40	d1.40	1.00	nil	d19,550	4,383,552	13,092	
	1943	Cords		....	1,528,066	♦574,549	....	408,746	539,371	1.35	1.38	d0.87	d0.83	1.00	nil	139,371	4,664,466	12,742	
BUILDING PRODUCTS**	1944	....	......	‡1,000,000	1,459,216	124,802	....	1,000,000	334,414	....	....	0.69	1.01	...	0.60	44,384	1,871,923	366,915	P. R. Allen, chm., East Walpole, Mass.; W. R. McNeil, pres.; C. P. Cowan, vice-pres. & gen. mgr.; D. P. Hatch, vice-pres.; R. C. Crooker, sec.-treas.; Winthrop Brainerd, G. M. McKee, G. H. Montgomery; Montreal; H. R. Tudhope, Toronto.
‡New issue dated June 1, 1945.	1943			....	1,459,688	112,188	....	1,029,000	318,500	....	....	0.66	0.99	...	0.60	28,470	1,930,153	211,581	
CANADIAN WALLPAPER												"A" & "B"			"A" & "B"				Arnold Ashton, pres., Toronto; J. T. Chasney, vice-pres., London, Eng.; John Prescott, sec.-treas.; R. N. Boxer, E. G. Staunton, Gerald Staunton, F. M. Hulbig, J. P. Ramsay, R. R. Sparling; Toronto; R. H. Gillean, C. M Williamson, H. S. Foster, R. H. Gillean, Jr., Montreal; A. V. Sugden, A. Whittle, Manchester, Eng.; Ralph Entwisle, A. R. Wildey, London, Eng.
	*1945	....	......	....	133,759	....	....	......	132,841	....	....	°1.03	°1.46	...	1.00	3,595	1,751,019	184,075	
*Year ended Apr. 30. °Excluding or including refund. EPT of subsidiaries.	*1944			50,000	119,119	....	....	......	116,201	....	....	°0.90	°1.55	...	1.00	d13,045	1,791,192	127,744	
CANADIAN WIREBOUND BOXES										"A"		"B"		"A"	"B"				D. L. White, Jr., chm., Midland, Ont.; A. M. Dunn, pres. and man. dir.; H. M. Millar, E. G. McMillan; S B. Playfair, H. L. Trapp; Toronto; A. K. Cameron, Montreal. Sec.—F. H. Ellis. Treas.—J. P. Berney.
	*1944	....	......	†100,107	402,729	62,831	....	268,100	71,798	•1.25	•2.12	•d0.32	•0.79	1.50	nil	d12,837	245,155	65,300	
*Year ended Apr. 30. †Mortgages payable. •Before participation.	*1943			†113,412	327,085	94,590	....	144,159	88,336	•1.60	•1.90	•0.12	•0.51	1.50+0.50	nil	d20,560	248,100	15,305	
CORRUGATED PAPER BOX	1944	....	......	‡300,000	315,217	45,266	....	189,879	80,068	13.11	17.35	0.79	1.34	7.00+7.00	nil	d3,405	580,693	61,879	A. T. Whealy, pres. & treas.; J. A. Whealy, vice-pres. & sec.; F. L. Clouse, W. A. Woodcock*, Wm. Zimmerman, A. G. Walwyn; Toronto; Henry Hilton, Winnipeg. *Representing preferred shareholders.
‡New issue sold privately July, 1945.	1943			....	278,531	44,991	....	148,283	85,203	13.35	16.05	0.86	1.23	7.00+7.00	nil	d4,145	603,202	36,007	
DOMINION CONTAINERS	1944	....	......	♦550,000	267,331	51,740	....	......	°°210,552	....	....	....	....	nil	nil	.....	332,723	75,930	C. N Moisan, pres. & gen. mgr.; J. H. Lefebvre, J. A. Moisan, vice-pres.; Mendoza Langlois, T. M. Barrington; Montreal. Sec.-treas.—T. A. Moisan.
♦Issued Jan., 1945. °°Before taxes.																			
DOM. ENVELOPE & CARTONS●	1944	....	......	....	258,247	18,809	....	200,612	38,826	9.40	17.78	0.37	0.89	3.50	nil	24,369	297,289	62,916	D. H. Ross, pres. & gen. mgr., Winnipeg; P. C. Shamper, vice-pres., Edmonton; E. G. P. Baker, John Martin, Robert McKay, Winnipeg; C. E. Whitten, G. W. Brown, G. M. Willoughby, Toronto. Sec.-treas.—J. Campbell.
Controlled by Gair Co. Canada Ltd. *Full payment made on old and new stock. †Paid June and Dec. 1, 1944.	1943	....	......	....	212,840	28,841	....	147,261	36,738	8.90	14.61	0.34	0.69	*	†0.20	5,427	269,699	28,297	
GAIR CO. CANADA	1944	....	x68,000	887,600	999,536	229,907	8.42	411,998	239,254	....	....	2.59	3.07	nil	nil	239,254	1,654,491	96,044	G. W. Brown, pres. and gen. mgr.; C. E. Whitten, vice-pres. and treas.; G. M. Willoughby, sec.; Toronto; G. E. Dyke, T. R. Pierce.
Capital stock all owned by Robt. Gair Co. Inc.	1943	....		918,600	863,621	207,272	6.80	306,568	214,243	....	....	2.32	2.60	nil	nil	214,243	1,594,895	42,217	
G. W. HENDERSHOT CORR. PAPER	1944	....	......	....	61,641	12,180	....	21,423	28,039	....	....	0.93	....	...	0.15	19,039	131,295	......	G. W. Hendershot, pres. and gen. mgr.; M. F. Brevillier, vice-pres. and sec.-treas.; S. S. DuMoulin, Argue Martin; Hamilton, Ont.; T. R. Harrison, Toronto.
	1943	....	......	....	41,602	12,366	....	11,802	17,166	....	....	0.57	....	...	0.30	12,666	110,523	......	
HINDE & DAUCH PAPER	1944	....	x99,200	....	915,331	200,456	....	296,439	418,436	....	....	1.39	1.41	...	1.00	118,453	2,373,817	77,619	Sidney Frohman, pres., Sandusky, Ohio; L. F. Winchell, vice-pres. & gen. mgr., Toronto; J. H. Macleod, sec., Sandusky, Ohio; T. E. Lloyd, treas.; M. H. McArthur, gen. sales mgr.; R. L. Warren; Toronto; M. H. Murch, Cleveland, Ohio.
	1943	....	......	....	1,053,569	204,074	....	468,615	378,880	....	....	1.26	1.40	...	1.00	78,947	2,023,315	73,755	

♦Including depletion. dDeficit. ●Envelopes, stationery, specialty supplies. ▲Kraft liner board; in addition, 22,000 tons unbleached sulphite pulp, 24,000 tons cylinder board, and 24,000 tons newsprint paper. **Building papers, insulating board, wallboard, etc. xPaperboard, also mfr. corrugated and solid fibre shipping boxes and containers, and other paper products.

Companies Whose Financial Statements Are Not Available

Company	Timber Limits	Mill Capacity Tons
ANGLO CANADIAN PULP & PAPER	3,460 sq. m.	186,000
ANGLO-NEWFOUNDLAND FIBRE CO.	....	185,000
BEAVER WOOD FIBRE CO.	246 sq. m.	25,100
BOOTH LTD., J. R.	4,734 sq. m.	54,000
DONOHUE BROS. LTD.	417 sq. m.	49,000
EDDY CO., E. B.	1,846 sq. m.	47,000
GASPESIA SULPHITE CO.	....	40,000
INTERLAKE TISSUE	....	8,000
ONTARIO PAPER CO.	4,278 sq. m.	292,000
PACIFIC MILLS CO.	275 sq. m.	74,000
PORT ROYAL PULP & PAPER	....	38,750
SIDNEY ROOFING CO.	....	9,300
SPRUCE FALLS POWER & PAPER	10,500,000	200,000
ST. RAYMOND PAPER CO.	....	7,800
VANCOUVER KRAFT PRODUCTS		26,300

See More Specialty Papers For Civilians Soon But Total Demand Still Far Outruns Production

Much of specialty paper production during the war has been diverted to the military forces. This factor, together with the limited pulpwood supply, has resulted in severe shortage in some lines for civilian use, despite every effort to distribute available supplies as fairly as possible.

Some improvement in specialty paper supplies for nonwar use is likely from now on, but it probably will be some time before distribution can fill all needs, and reserve supplies built up by distributors.

Like other units of the pulp and paper industry, the specialty papermakers have been faced with rising costs, narrowing profit margins, and difficulty in getting adequate supplies of raw material.

Can. Wallpaper

Canada's largest producer of wallpaper, Canadian Wallpaper Manufacturers Ltd., was formed to consolidate four independent manufacturing organizations and an English concern, Wallpaper Manufacturers Ltd., holds a substantial stock interest.

Net profit for the year ended April 30, 1945, amounted to $132,841, an increase from $116,201 the previous fiscal year. Earnings for the 1945 fiscal year were equal to $1.03 a share, excluding refundable excess profits tax, and $1.46 a share, including the refundable portion. This compared with the previous year's earnings of 90 cents a share, before including refundable tax, and $1.55, with the refundable portion included. Dividends of $1.00 a share were paid in each year.

Some space became available in the expropriated plant of Stauntons Ltd. last January and complete occupancy is hoped for before the end of 1945. The company hopes to establish a valuable postwar export market.

Interlake Tissue

Interlake Tissue Mills Company produces 10,000 tons a year of paper specialty products. Among the items produced by the company are crepe decoration paper, paper napkins, towels and allied products.

The plant of the Interlake Tissue Company is located at Merritton, Ont. No details of the company's financial position are available, since there is no direct public investment in it. However, operations are understood to have been at a satisfactory level during recent years. Capitalization of the company is $625,000 in shares of $100 par value.

National Cellulose

Sanitary paper products are the chief items turned out by National Cellulose Company of Canada and its associate, Dominion Cellulose.

Plant of the company is located at Mount Dennis, Ont.

Hospital supplies, toilet papers and towels, and testing tissues under the brand name "Facelle" are manufactured by this firm. These items have been in very heavy demand during the war years for both civilian and service uses.

Westminster Paper

Westminster Paper Company's chief products include wrapping paper, decorative paper, plain and printed paper, watermarked papers, toilet paper, serviettes, towels, fruit wrappers, wax paper, printed papers of all descriptions from one to four colors, and other specialty papers.

Its plant is located at New Westminster, B.C. The company was organized in 1922 as the Westminster Paper Mills Limited by the present president and chairman of the board, John J. Herb. The present name was adopted when the company was incorporated in 1926. The present plant was built in 1930, after the earlier plant was destroyed by fire. Original maximum capacity was 5,000 tons per year, which has since been increased to 9,000 tons.

A plan for expanding the plant was announced at the end of 1944. The proposed expenditure is about $1.25 millions, to be completed in 12 to 15 months. This will double the capacity of the plant by installation of another paper machine and extra converting equipment will be installed. Included in the plans are a large expansion in the finishing room and a new machine room building, a permanent double the size of the present structure, a new office, conversion of the present office into a recreation room and enlargement of the boiler house. New water filters, fuel storage and a conveyor system will be installed, it is stated. The whole property is to be bulkheaded and a considerable area of waterfront property filled and reclaimed.

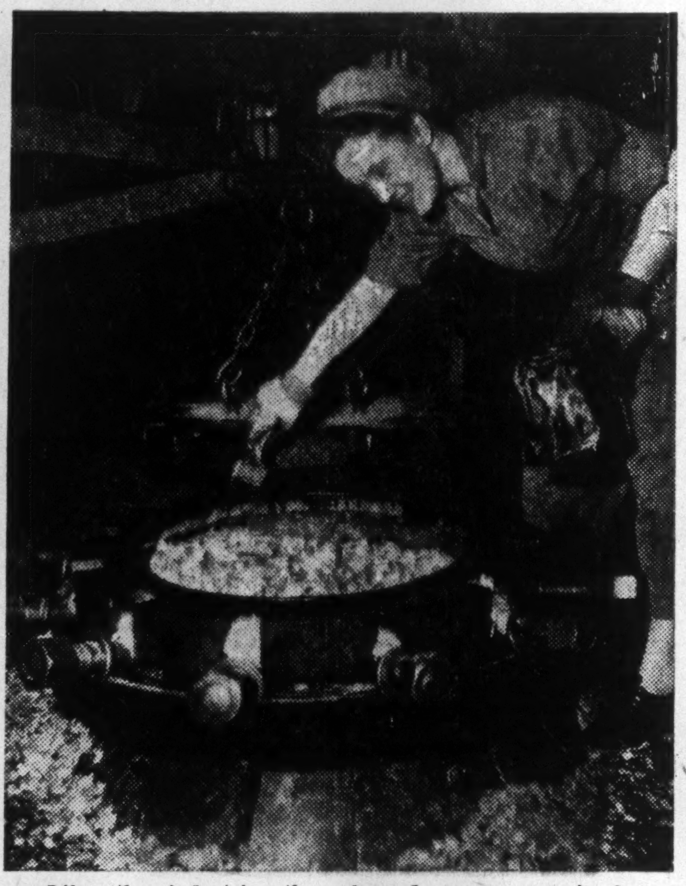
Most recent report on the progress of the construction plans is that property, at present part of an old Indian reserve near the company's present property and for which negotiations have been proceeding, will be acquired.

The company's products are sold in Canada and in 17 export markets, including Australia, New Zealand, South Africa and China. Net earnings for the year ended Jan. 31, 1945, amounted to $210,040, compared with $230,938. After depreciation and income tax reserve, net profit amounting to $97,341, compared with $78,667 in 1944 (excluding refundable excess profits tax). On a per share basis earnings were $1.02 in 1945, compared with $1.65 in 1944, excluding refundable excess profits tax, and $1.88, including refundable excess profits tax. Dividends of 50 cents per share were paid in each year.

Working capital of Westminster Paper increased by $558,367 in the fiscal year ending Jan. 31, 1945. Cash and Dominion bonds increased $497,437.

A change in capitalization took place at the end of 1944. Authorized capital was increased from 50,000 to 100,000 shares with a par value of $10. At Jan. 31, 1945, there were 95,578 shares issued, including 47,789 shares issued during the fiscal year for a cash consideration of $477,890.

Business of the company in the United States is carried on through a subsidiary, Pacific Coast Paper Mills Inc., whose plant is at Bellingham, Wash.



Like other industries, the pulp and paper companies have turned to women for aid during the scarcity of labor. Here a woman worker in a paper mill seals the digester after it has been filled with chips.

Pulp and Paper Growth Record

Year:	Establishments No.	Capital $	Mill employees No.	Salaries and Wages $	Fuel and electricity used $	Materials and supplies used $	Gross Value of products $
1919	99	275,767,364	26,647	32,264,208	12,503,197	54,084,801	137,912,502
1920	100	347,553,333	31,298	45,253,893	16,989,356	84,208,788	236,420,176
1921	100	379,812,751	24,619	34,199,090	14,961,741	62,276,224	151,003,165
1922	104	381,006,324	25,830	32,918,955	13,000,002	64,692,722	158,950,956
1923	110	417,611,678	29,234	38,382,845	18,421,804	71,322,722	184,821,511
1924	115	459,457,696	27,627	37,649,528	17,396,375	72,233,876	179,259,504
1925	114	460,397,772	28,031	38,560,905	17,506,735	76,514,990	193,092,937
1926	115	501,184,714	31,279	44,175,502	20,424,405	85,365,465	215,370,474
1927	114	579,853,552	32,876	45,674,293	24,024,319	84,813,080	219,329,753
1928	110	685,687,459	33,614	47,322,648	24,546,957	88,490,421	233,077,236
1929	108	644,773,806	34,202	50,214,445	25,356,090	96,874,749	243,970,761
1930	109	703,937,104	33,207	45,774,976	26,158,260	81,992,255	215,674,246
1931	103	630,176,540	26,669	34,792,013	22,927,919	63,947,678	174,733,954
1932	98	597,550,013	24,561	28,348,128	19,821,839	48,970,967	135,648,729
1933	95	559,265,544	24,037	26,657,542	18,902,330	47,632,521	123,415,492
1934	95	554,973,891	26,993	33,307,043	21,977,913	53,426,534	152,647,756
1935	95	545,572,938	27,836	35,893,313	22,682,883	57,995,037	159,325,546
1936	93	536,073,034	29,478	39,440,074	25,690,606	72,202,983	183,632,995
1937	98	570,352,287	33,205	48,757,795	29,121,065	91,121,629	226,244,711
1938	99	594,908,222	30,943	42,619,311	23,800,737	71,062,580	183,897,503
1939	100	597,908,918	31,016	44,737,379	25,094,978	79,933,657	208,152,295
1940	103	642,979,942	34,719	56,073,812	31,045,406	108,758,862	298,034,843
1941	106	678,937,841	37,154	63,677,818	34,437,122	125,437,012	334,726,175
1942	105	655,598,196	38,002	69,656,393	36,226,420	135,970,437	336,697,277
1943	106	667,458,143	37,020	71,199,422	36,211,064	143,956,462	345,653,470

Gun Parts Came From Paper Mills

"The paper war" was not the only one that depended on the pulp and paper industry. Besides supplying immense quantities of paper for maps, charts, blueprints, Victory bonds, and newsprint, the industry provided pulps for use in explosives, plastics, rayon for tires and parachutes; paper boards for containers of shell cases, ammunition, gun barrels, machine parts, blood plasma, food and medical supplies; building board for barracks, hospitals, housing.

Less well known is the important "bits and pieces" campaign. Pulp and paper-mill machine shops made, among other things, parts for naval and cargo ships, airplanes and gun mountings, and gauges and other special devices, totalling more than $1.5 millions a year.

To-day's Investment Opportunities in PULP AND PAPER
"Canada's Most Valuable Industry"

This authoritative NEW booklet, now on the press, has been prepared by us for the benefit of investors who desire full information regarding this primary manufacturing industry.

PART I deals with its scope and magnitude and compares it with other leading manufacturing industries. Its present and post-war importance in Canada's export markets is also stressed.

PART II analyzes the present financial position of 15 leading pulp and paper companies, tracing the recent marked improvement in cash, working capital, etc. It also gives the stock averages over a period of years.

On the basis of the tables and charts shown, we believe that pulp and paper securities offer an excellent opportunity for the investor, and we are prepared, on request, to make specific recommendations.

This booklet will be sent to corporations and to individuals on request.

It is on the press now and will be ready for distribution shortly.

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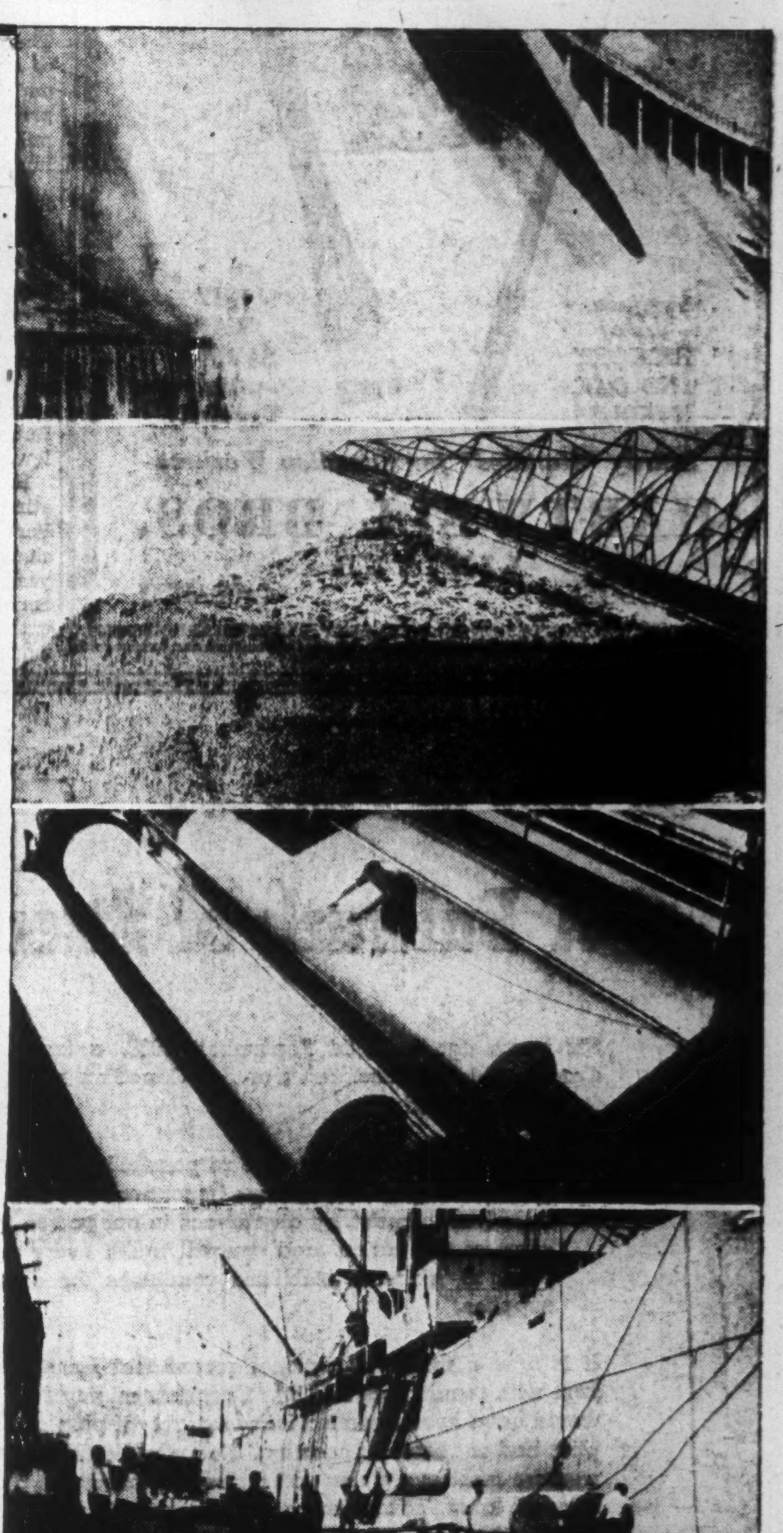

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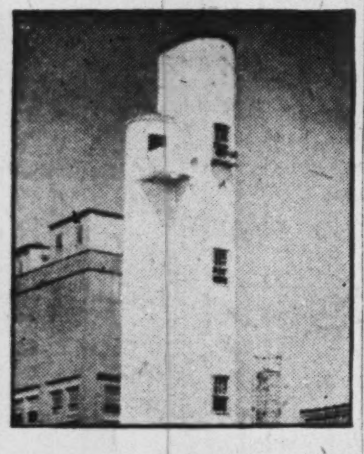

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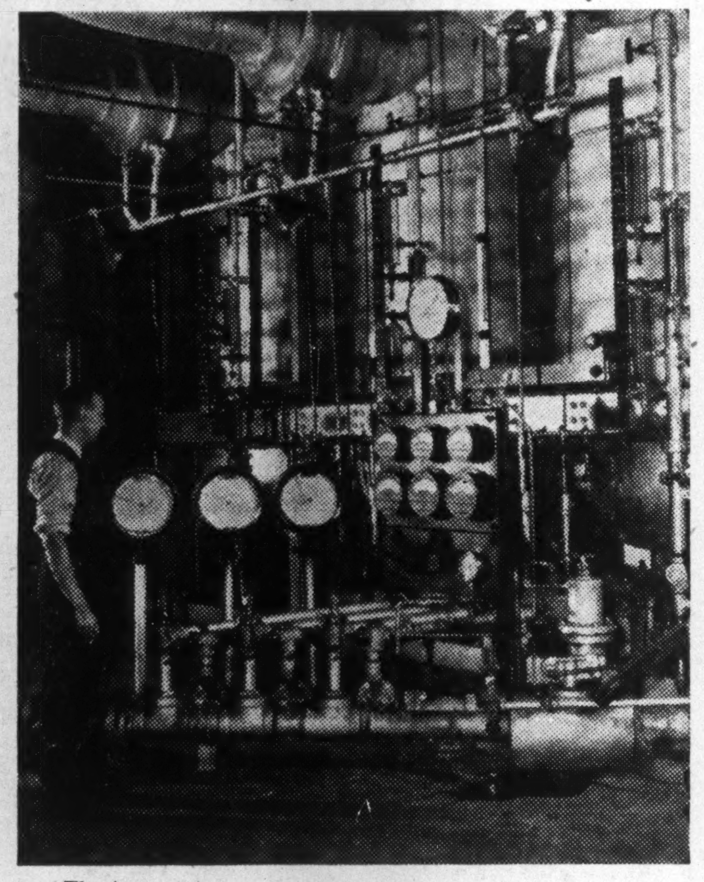
Noorduyn Aviation Ltd. has advised the Toronto Stock Exchange that an additional 416 shares have been issued to cover conversion of 5½% convertible notes, thereby increasing the number of shares outstanding to 94,916.

West Coast Paper Mills Plan Wide Expansion $25 Millions Expenditures Already Announced

Expansion is the order of the day among British Columbia's pulp and paper companies, and it is estimated that during the coming five years the west cc . industry will spend at least $25 millions — and possibly much more—on new construction, improvements and new machinery.

About the only deterrent at present is the uncertainty over the taxation situation and this appears to be clearing, with the result that most of the operating companies are getting ready for or actually carrying out fairly large-scale extensions of their present facilities.

Another question that causes some pulp and paper executives to plan cautiously for the time being is the knowledge that the Sloan Commission's report on the forest industries will probably be issued within a couple of months, and this may contain recommendations of far-reaching significance. It will probably provide for revision of present taxation and land tenure and other changes likely to alter the costs of operation to some extent. Until the industry knows what these recommendations are it is keeping its fingers crossed on some contemplated future developments. However, the general feeling is that the Sloan Commission is not likely to call for such a drastic revolution in the present system as to change the economic status of the industry to any great extent.



The temperature and pressure controls are the heart of the paper plant. Complex meters constantly register conditions, on which close watch is kept.

Millions for Powell River

Powell River Co., British Columbia's No. 1 newsprint producer for many years, is out in front with its postwar program involving the expenditure of some $13 millions, although this represents work that will not be completed for several years.

Powell River plans to increase its newsprint production to some extent, but it has also entered into production of sulphite pulp and liner board and may even manufacture kraft before long. Meantime the company is going ahead with expansion of its power unit at Lois River and is installing new barking and wood-handling equipment.

Other Powell River improvements will take place to the extent that men, materials and machinery become available. These conditions will naturally affect all the other companies. There is still a current shortage of some 3,000 men in the woods, and this has curtailed pulpwood production. The pulp and paper mills could also absorb several hundred more skilled men.

Pacific Mills, Ltd., plans considerable expenditure over the next few years, but is not making any announcements until all arrangements have been made for financing and actual construction. The only Pacific Mills project so far announced for its mill town at Ocean Falls is a new hotel which will cost about $700,000. But plant additions will soon follow.

B. C. Pulp & Paper Co., operating pulp mills at Woodfibre and Port Alice, will carry out some changes during the next few years, but details have not been announced. This company made extensive changes in the way of modernizing the production setup before the war, but will probably have to make further alterations to keep pace with the industry.

One of the most interesting business reports on the coast in recent weeks was that Garfield Weston is seeking control of Sidney Roofing & Paper Co., which operates in Victoria, with a branch in Vancouver. This company manufactures roofing and various paper products, and also controls National Paper Box Co., in Vancouver. When Mr. Weston came to western Canada a few months ago he announced that he intended to interest himself in British Columbia industry, and this may possibly be his first move. What he had in mind for Sidney Roofing & Paper Co. would be watched with interest by business circles in general and especially by pulp and papermen.

Sorg Pulp Co., operating a kraft mill at Port Mellon on Howe Sound, is currently spending about $750,000 on expansion. This company manufactures pulp for its parent company, Sorg Paper Co., in Ohio. After a somewhat checkered early career Sorg is now in the hands of a progressive and adequately financed corporation and is being counted upon to continue as an important factor in production.

Westminster Paper Co., manufacturing a long list of paper specialties at New Westminster, is spending about $1.2 millions in new building and installation of machinery to provide double the present output. A new paper machine has been installed, and there will be extensive changes in the conveyor system. The plant is to be completely electrified.

Now that the war is over British Columbia's pulp and paper manufacturers anticipate a revival in export trade, and it is probable that China and Australasia will be able to take a much larger proportion of the output than has been recently possible.

The industry normally employs nearly 6,000 men and women and it is currently playing an important role in the rehabilitation of servicemen. The annual payroll is estimated at about $9.8 millions.

Pacific Mills

A leading west coast newsprint producer, Pacific Mills Ltd., is a subsidiary of Crown Zellerbach Corp. During the year ended April 30, 1944, newsprint output was almost at capacity as directed by the Newsprint Administrator.

No direct public investment interest exists in the enterprise.

Output in the year ended April 30, 1944, was 126,000 tons of pulp and paper, compared with 108,000 tons the previous year. Besides its ability to turn out large tonnages of newsprint, sulphite and sulphate pulp, the company is equipped to produce about 30,000 tons of wrapping paper and various specialty papers.

Earnings in the year ended April 30, 1944, were over $125,000 lower at $731,283. The higher newsprint prices of 1943 added to sales dollar volume with effect on 1944 net profit after deduction of taxes on income found negligible.

Earlier this year, it was announced that the company had acquired control of Canadian Boxes Ltd. of Vancouver. The latter organization specializes in corrugated fibreboard box manufacture. Fibreboard is a derivative of wood pulp—produced by Pacific Mills—and a close working relationship is expected to exist between the two companies.

Powell River

The largest newsprint producers west of the Great Lakes, Powell River operates a mill at Powell River, British Columbia, which is the fifth largest in Canada and one of the biggest on the continent.

Although the Powell River Company was incorporated in 1911, it was not until 1945 that its securities were publicly held when 300,000 shares in this largest of west coast newsprint companies was offered and quickly oversubscribed.

Annual productive capacity of the company comprises 220,000 tons of newsprint, 3,000 tons of laminated paper, 42,500 tons air dry of unbleached sulphite pulp for sale, 1,000 tons air dry of groundwood screening for sale and 24,000,000 board feet of lumber.

In no year since its incorporation has the company failed to make a profit, it is stated. In 1944 earnings were in excess of $1,750,000, equal to $1.30 per share of the present common stock. In addition to this, the refundable portion of the excess profits tax for 1944 was estimated $220,000—equivalent to 16 cents per share of the common stock.

Powell River Company was established in 1911 by the late Dr. Dwight F. Brooks and M. J. Scanlon of Minneapolis, Minnesota. Until 1925, the stock was closely held by a group representing these families and their associates. It is stated that the Brooks-Scanlon interests remain the principal owners of the company.

In February, 1945, 300,000 no par value common shares of the company were offered by Wood Gundy & Company at $18.50 per share. The total number of common shares outstanding was reported at 1,344,695 shares. This capitalization gave effect to the conversion of former 7% preferred stock into new ordinary stock and a three-for-one exchange on new common stock for the formerly outstanding common stock.

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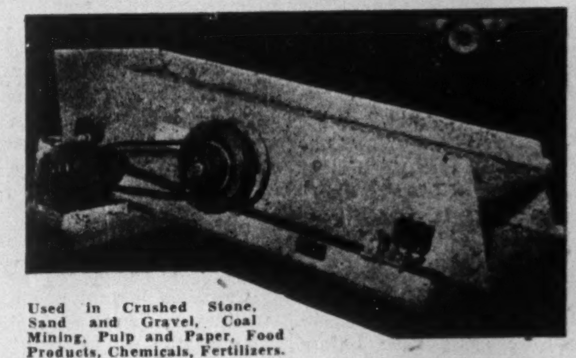

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"We realize our duty and responsibility in supplying a commodity of vital wartime importance . . . and pledge ourselves to assist, by any means in our power, the war effort of the nation, and we will make every possible effort to maintain stabilized conditions for continuous supplies."

It is now a matter of national record that those pledges were kept with remarkable fidelity. Canada's mighty role in the war would have been curtailed immeasurably if pulp and paper supplies had not been forthcoming. Not only did the industry and its workers meet every demand and every need, but despite shortages of labor, power and materials, prewar output was vastly increased.

Now, in postwar . . . as in war . . . the Pulp and Paper industry, providing direct employment for over half a million Canadians and an indirect livelihood for many more, will continue to prove a bulwark of strength in Canada's economy. It will continue to play its vital role in maintaining national income and in the development of new industries to provide continuously expanding employment.

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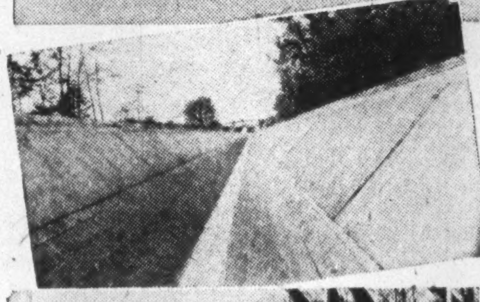

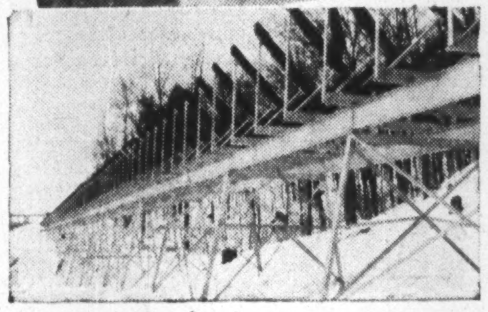

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Newfoundland Newsprint Mills' Production Rises As Manpower and Shipping Difficulties Reduced

Newfoundland newsprint mills have recovered further during the past year from the effects of extremely acute manpower and transportation difficulties, which reduced operations sharply from normal levels at one time in the war.

Newsprint production in the first eight months of this year rose to 217,579 tons from 173,946 tons in like 1944 period and 139,-632 tons in 1943 period, while shipments rose to 214,569 tons from 160,570 tons and 163,149 tons. In the first eight months of the pre-war year 1939, Newfoundland newsprint production totalled 194,529 tons and shipments 172,447 tons.

Dependent on ocean shipping entirely (except for the relatively small amount of newsprint used on the island, the Newfoundland mills were particularly vulnerable to the effects of the submarine menace and shipping shortage of a few years back. At the same time, heavy enlistments in the military forces from the island plus demands on remaining supplies for various military operations resulted in number of men available for forest industries, particularly woods operations, being in serious short supply.

During the past two years, however, there has been a gradual easing of the earlier difficulties.

A large part of Newfoundland's newsprint output before the war went to United Kingdom and other overseas points. War conditions resulted in switch of more of the island's output to the United States market. Of late, however, overseas shipments have been increased again.

In 1939, only 87,334 tons of Newfoundland newsprint went to the United States, in 1941 shipments to the U. S. increased to 217,233 tons, in 1943 were 131,031 tons, in 1944 100,035 tons, in first eight months of current year 70,-657 tons. Shipments overseas in 1939 were 175,557 tons, in 1941 had dropped to 128,993 tons, revived to 131,833 tons by 1943, to 169,734 tons in 1944, in first eight months of 1945 were 143,098 tons.

With improvement in transportation facilities, steady increase in overseas shipments appears likely. The Newfoundland mills are controlled by British interests—and there is a big need for more newsprint in England, as well as other overseas points. However, newsprint distribution is still controlled by United Nations authorities.

One reason Newfoundland shipments to overseas points increased to a greater extent than Canadian overseas shipments a few years back was an arrangement arising out of the difficulties Newfoundland mills encountered in making shipments to southern U. S. points. Under an agreement reached, Canadian mills served the southern U. S. points by rail, while Newfoundland mills took over more of the overseas business. This helped conserve shipping time, due to Newfoundland's shorter distance to Europe.

Large Forest Reserves

Newfoundland has ample supplies of the important elements making for a prosperous pulp and paper industry—ample power and forest resources. Also, in normal times, the island's mills have the advantage of low-cost water transportation.

Insect damage, which has exceeded fire damage in Newfoundland forests, is being fought with increasing success.

Anglo-Nfld.

Anglo-Newfoundland Development Co. operates a newsprint plant at Grand Falls, owns the entire capital stock of Anglo-Newfoundland Steamship Co. and 98% of the issued shares of Terra Nova Properties, Ltd., which holds mineral rights over an area of 2,230 square miles and operates, jointly with American Smelting & Refining Co., a subsidiary known as Buchans Mining Co. having a daily capacity of 1,200 tons of lead and zinc.

Since outbreak of the war the company has spent substantial sums in enlarging its pulp-producing properties. The company has diversified its production activities through an increase in tonnage for sale of dry groundwood and sulphite pulp. Difficulty in getting materials and equipment has hampered the expansion program, however.

The company has been affected adversely in wartime operations by labor and other shortages. However, there has been an improvement lately.

Controlled by the Rothermere interests, the company before the war shipped substantial tonnages of newsprint to The London Daily Mail and its associated newspapers, also sold to Newfoundland newspapers, and has a 25-year contract with Associated Newspapers, Ltd., for supply of all that company's newsprint requirements up to Jan. 1, 1958. Wartime shipping shortages have curtailed overseas deliveries.

Bowater's

Bowater's Newfoundland Pulp & Paper Mills, Ltd., is the largest pulp and paper enterprise on the island. It owns and operates a newsprint plant, sulphite plant, barking plants and power developments at and near Corner Brook, Nfld.

Due to labor shortage and other wartime conditions, production activities have been curtailed during the war years, and mills have been run on only part-time basis. In 1944, however, there was an improvement in production, with the newsprint mill in full operation, though lack of wood prevented full operation of the sulphite mills.

Costs of operation have been rising, though during the past year there has been some reduction in transportation costs, and an improvement in shipping conditions.

Sales are made in part through Bowater's Paper Co., Inc., a wholly owned subsidiary of Bowater's Paper Mills, Ltd. Up to the close of 1941, the company's production was marketed to nearly all Empire countries. With the spread of the war, and shortage of shipping, overseas deliveries had to be cut sharply, and marketing diverted to the Western Hemisphere markets. As shipping difficulties are eased further, the company probably will return to a greater extent to former markets.

Late last year, an issue of $2.5 millions of the company's 4% first mortgage bonds were marketed, mostly to investors on the island. This was the first time an issue of such size had been underwritten in Newfoundland.

Peace Market Eager For Fine Paper

(Continued from page 13A)

facture which had been discontinued early in 1943.

Before the war, when E. B. Eddy produced both fine papers and newsprint in its paper mills, the company undertook a substantial program designed to modernize and extend facilities. Some of the more recent changes have been the installation of a new water and filtration plant, renovation of the sulphite pulp unit, increase in boiler capacity, changes in storage and handling facilities, and the installation of additional pulp machinery.

Now that the war is over, work is expected to start on some changes in plant facilities designed chiefly to widen types of production.

Fraser Paper

Fraser Paper, Ltd., is the only Maritime company producing white-paper products, manufacturing and selling bond and other bleached specialty papers and groundwood specialty papers.

Mills of Fraser Paper (which is a wholly owned subsidiary of Fraser Cos., Ltd.) are located at Madawaska, Maine, directly opposite Edmundston, N.B. Bleached sulphite and groundwood pulp, the raw products for the mill at Madawaska, are supplied through a pipeline across the St. John River. The Madawaska plant has an annual capacity of 48,000 tons high-grade sulphite papers and 43,500 tons of catalogue paper. The Madawaska products are marketed in the United States.

Demand for the company's products have been active in recent years, with no real marketing problems. Chief problems have been in the production end —obtaining sufficient supplies for pulp, and keeping costs as low as possible.

The accounts of Fraser Paper are consolidated in the parent company's financial statements, and no breakdown is published.

Fraser Paper is authorized to issue $4 millions of 6% first mortgage bonds dated Jan. 1, 1925, due Jan. 1, 1950, of which $2.5 millions have been issued and are pledged as part security for the parent company's bonds. An issue of $7.5 millions 7% general mortgage bonds dated July 1, 1925, due July 1, 1950, is also pledged as security for the parent company's bonds. Authorized, issued and outstanding capital (10,000 common shares, each $100 par) is all held by Fraser Cos., Ltd., and pledged as security for its bonds.

Howard Smith

Howard Smith Paper Mills Ltd., with its subsidiaries, is one of the largest fine paper producing enterprises in Canada, normally serving export as well as domestic markets. Through subsidiaries, the company also controls plants manufacturing bleached soda pulp, groundwood pulp, bleached and unbleached kraft pulp and sulphite pulp, glassine, greaseproof, wrapping, toilet and coating papers, tags, paper bags and specialties, vanillin, lignin plastic sheets.

The company owns plants at Cornwall, Ont., Beauharnois and Crabtree Mills, Que. Annual capacity of combined plants includes: 43,300 tons of bond and ledger papers, bristol boards, offset papers, book, litho, etc., 45,000 tons of bleached sulphite pulp, 36,000 tons of bleached soda pulp, 9,000 tons of bleached and unbleached groundwood.

Through its subsidiaries, Howard Smith also owns or controls a paper mill, a kraft pulp mill, paper bag factory and converting plant at Windsor Mills, Que., a paper mill and bleached sulphite mill and bag factory at Merritton, Ont., a coated paper mill at Georgetown, Ont., a specialty paper mill at Todmorden (Toronto), Ont., a vanillin plant at Cornwall, and a lignin plastic mill at Cornwall.

Combined annual capacity of all plants owned or controlled by the company includes: 100,300 tons of bond and ledger papers, bristol boards, offset papers, book and litho, blotting, toilet and tissue, kraft and wrapping papers, paper bags and specialties, 70,-000 tons of bleached sulphite pulp, 36,000 tons of bleached soda pulp, 40,000 tons of bleached and unbleached kraft pulp, 17,000 tons of bleached and unbleached groundwood, 300 million paper bags, 10 million shipping tags and 7 million flour sacks.

Total area of woodlands held by the company and its subsidiaries exceeds 2,000 square miles.

Operations of Howard Smith in recent years have been around capacity, or at maximum level possible with prevailing manpower supplies. Demand for the company's products has held well in excess of actual production.

Rising costs and taxes, and fixed selling prices, have, however, prevented increased revenue from carrying over into net profits to full extent. In 1944 earnings excluding refundable part of excess profits tax amounted to $1.88 a share on common and earnings including refundable E.P.T. were $2.02 a common share.

Immediately prior to the war the company spent substantial amounts in improving plant properties. Similar capital outlays have been limited lately, due to war conditions. Working capital, however, has risen to close to $8 millions from $3.3 millions at end of 1939.

In January of this year, the company refunded its outstanding bonds, reducing interest charges payable by the parent company to $120,000 annually from $202,375.

Early this year the company started production at a new plant at Cornwall for manufacture of plastic sheets made from lignins —taken from sulphite liquor, previously a waste product. Early results have been encouraging.

Howard Smith common stock was placed on a $1 annual dividend basis early this year.

Rolland Paper

Rolland Paper Co., Ltd., is a manufacturer of high-grade bond, writing and ledger paper. The business, under the present company and its privately owned predecessor company, has been in operation since 1882.

Rolland Paper operates two plants—one at Mont Rolland, 50 miles from Montreal, and the other at St. Jerome, 35 miles from Montreal. Annual production of the Mont Rolland is 10,000 tons of sulphite bond and rag stock paper and that of St. Jerome approximately 15,000 tons of high-grade rag stock paper. The company operates its own power plant on the North River, and also buys power from Gatineau Power Co.

Rising costs have affected Rolland adversely of late, the same as other companies in the industry. In 1944 operating earnings were $557,882 against $669,250 the year before. Earnings on the common stock amounted to 75 cents a share, or well above dividend requirements of 60 cents.

Early this year Rolland Paper carried through a refunding operation, thereby achieving a substantial saving in annual interest charges. The company sold $1,900,000 new first mortgage bonds at par. The issue comprised $1,350,000 serials maturing 1947-64 inclusive and bearing interest rates of 2% to 4% depending on maturity, also $500,000 of 4% bonds due 1965. Net proceeds of $1,866,000 were used to redeem on April 3 last at 102 and accrued interest the outstanding $150,000 of 4% serial bonds due 1946 and the outstanding $1,750,000 4% first mortgage bonds due 1951.

Working capital of Rolland Paper at end of 1944 totalled $1,-283,662 against $1,201,053 at end of 1943.

Provincial Paper

A large producer of fine paper, Provincial Paper Ltd., a subsidiary of Abitibi Power & Paper Co., has been able to maintain operating and net profits fairly well during the latter war years.

During 1944, net profit before inclusion of refundable taxes amounted to $252,812 more than the company's preferred dividend requirements. Additional refundable tax realized was $43,500.

Working capital has shown a yearly improvement and amounted to $3.6 millions at the end of 1944 or approximately $600,000 more than at the end of 1941.

Public interest in Provincial Paper lies in its 5½% First Mortgage Bonds of which there are $2.8 millions outstanding and in its 35,000 shares of 7% preferred stock. Bond interest and preferred stock dividends have always been met on due dates. No dividends have been paid on the common shares held by Abitibi since 1937 when 90 cents a share was paid.

The company produces high-grade book, bond, coated and writing papers. Four plants are operated — at Georgetown, Thorold, Mille Roches and Pt. Arthur, Ontario.

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BATHURST

POWER AND PAPER COMPANY LIMITED

Expanded Peace Markets For Boxes, Containers Come With New Uses, Intensified Competition

With military demand for paperboard boxes and containers dwindling away to insignificant levels, attention is being directed by manufacturers to the sizeable backlog of civilian orders. Demand from reconverting industry increases daily but the old bottlenecks of insufficient raw material and labor still persists. From early in the war manufacturers of paper boxes have been unable to maintain an inventory position in the all-essential raw material, paperboard, and today continue to operate on a hand-to-mouth basis. Although all civilian restrictions have been raised on the placing of orders for containers, the industry itself is still subject to a paperboard quota system.

The pulp and paper industry is one of the major markets for limestone.. Here a worker at an eastern mill empties his cart of stone.

Little or no reconversion problems face the industry since peace products are very similar to wartime output. Sizeable expenditures, however, will have to be made by most plants to restore mechanical efficiency to competitive peacetime levels.

50% Over Pre-war

Manufacturers estimate that the industry will continue to operate at near capacity for another 12 to 18 months, after which a moderate cut-back in production will be necessary. Even then, production will likely remain 50% higher than in immediate pre-war years, company officials claim.

Sales expansion during the war has been little short of phenomenal. Sales in 1944 of paper bags and containers totalled about $35 millions or about 17% over the $29.8 million total in 1939. About a third of the gain represented war orders. Without the national effort in waste paper conservation, such an expansion would have been impossible.

The packaging industry generally looks for a sharply widening market as a result of return to highly competitive business conditions. Feeling is that packages will again become an essential of selling and will combine in ever-increasing variation the dual role of container and eye-magnet.

Packaging Demand Heavy

In the food and drug fields, particularly, demand for attractive combination packages is expected to surpass anything experienced before the war in this line. Demands for flexible packaging from owners and renters of food lockers and cabinets, for instance, will provide an entirely new market. Dehydrated foods will also offer an excellent field for many of the war-developed flexible, moisture-proof packaging materials. The most noteworthy packaging improvement during the war has been made in the field of waterproofing and paper and paperboard can now be made resistant to heat, proof against rodents, insects, gas and grease as well. Also. by adding certain resins to the pulp, packaging materials can be made doubly strong.

The replacement parts used in servicing domestic and industrial appliances on installations as well as the hardware items found in hardware outlets will all supply a huge peacetime market. As a result of extensive protective packaging used in the war effort, appliances shipped in the newly designed packages will receive double protection.

Self-Service Means Packages

From surveys carried on among food merchants, it is evident that the self-service system will be greatly expanded in the next few years. Department stores are planning to have even small items such as nails, screws, tools, etc., completely packaged and larger items wrapped, boxed, bottled, canned, and labelled to show every item to advantage and to tell its virtues and uses. To the consumer packaging offers ease of selection, convenience in the house, and, most important of all, protection against contamination. Literally hundreds of new food products and new packages are ready to appear on the grocers' shelves in a few months.

The labor situation has not improved to any extent during the last several months. Some companies report slightly improved conditions during the last several weeks, while others maintain the labor shortage is as bad as it has ever been. Most manufacturers are ready to employ more help than before the war. According to a recent survey, manufacturers expect an average monthly employment a year hence only 2.1% less than during the peak year of 1942 and 22.2% more than in 1939.

Indicated expenditures on construction and land for expanding and rehabilitating factory premises during the first three years after the war are about $3.1 millions, according to a recent survey. Indicated expenditures for equipment during the same three-year period amount to about $8.5 millions.

Corrugated Paper Box

In its plants at Leaside, Ontario, near Toronto, and at Winnipeg, Manitoba, Corrugated Paper Box Company manufactures corrugated and solid fibre shipping containers and folding cartons. Distribution of the company's products is made throughout Canada by its own sales force. Substantial increases in corrugating capacity of the Winnipeg and Toronto plants were made in 1937 and again in 1939.

The Winnipeg plant is operated by a wholly-owhed subsidiary, Hilton Bros., Ltd., while another subsidiary, Carton Specialties, Ltd., was formed in 1936 to operate the folding carton division of the company. In 1940 two additional machines were installed to increase the production of this subsidiary.

During 1945, Corrugated Paper Box presented a plan to redeem its formerly outstanding 7% preferred stock and also to redeem the income funding rights which have been issued for arrears of preferred dividends.

This plan which involves the sale of $300,000 in 3¼% seven-year serial bonds and of $450,000 cumulative redeemable sinking fund 5% preference shares, was unanimously approved by shareholders at a special general meeting held August 2, 1945.

Gair Co. Canada

Gair Company (Canada), a wholly owned subsidiary of Robert Gair Company of the United States, manufactures a variety of corrugated and solid fibre paper containers and other paper products.

It has plants in operation at Montreal, Toronto (five, including one in reserve), Frankford, Campbellford, Hamilton, London and Windsor, Ont. Paperboard production in 1944 closely approximated the previous year's figure at 48,068 tons. Total sales of all products of the company and its subsidiaries amounted to 66,757 tons, compared with 66,846 tons in 1943.

As in the previous year manufacturing facilities have been unable to cope with the demand for products. Unfilled orders on the books are sufficient to keep plants occupied at capacity for some time to come, it is stated. The critical wastepaper situation and the lack of manpower have made it impossible to operate the Dominion mill. Although there has been some easing in restrictions regarding manufacture of company products, prices of both raw materials and finished goods are still under control, as are salaries and wages.

The more favorable showing in net profits compared with 1943 was due, in part, to higher sales volume and also to the increase of the standard profit base permitted by the Dominion Income Tax Department ruling in 1944.

During the year the company reduced its indebtedness to Robert Gair Company, Inc., by $100,000.

G. W. Hendershot

G. W. Hendershot Corrugated Paper Co., like other companies in its industry, has been affected by its share of wartime difficulties.

Difficulties of securing adequate personnel and supplies of paper and WPTB regulations have had their effect on operations.

The company manufactures corrugated paper box containers and allied products. Sales are reported largely through contracts with large department stores and distributors in eastern Canada.

Hinde & Dauch

Controlled by a company of the same name in the United States, Hinde and Dauch Paper Company of Canada is a leading manufacturer of fibre shipping boxes, corrugated paper products, paper board and also produces straw paper for corrugating purposes.

Plants of Hinde and Dauch are located at Toronto, Trenton and Montreal, while sales offices are maintained in a number of the important cities of the Dominion.

The Toronto plant, which was enlarged to 330,000 square feet of floor space in 1929, contains two of the paper board machines with combined capacity of approximately 225 tons daily, and two box-making divisions with combined capacity of approximately 13 carloads daily. Facilities have been thoroughly improved and total daily capacity is now 22 carloads.

The Trenton plant produces straw board for corrugating purposes and lightweight chip boards. Daily capacity of this plant is six carloads.

At Montreal, operations are confined to the fabrication of solid fibre and corrugated shipping boxes from the paper boards produced at Toronto and Trenton. Capacity of this plant is six carloads daily.

Shortages of raw materials and of manpower have resulted recently in a slight curtailment of production according to statements of L. F. Winchell. This situation which resulted in 1.95% reduction in mill production during 1944 from 1943, was continued into 1945, but both manpower and raw materials are reported to have improved during the third quarter of the year with the result that production in the final quarter was expected to improve. In the annual report for 1944, it was stated that more production difficulties were faced than in any other period. The year brought further cost increases and there were severe and continuing material and labor shortages. This situation began to ease with the relaxation of government control early in 1945 and is apparently continuing to improve.

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Most important from our customers' point of view, however, is the fact that this intensive search for new materials has indicated the possibility of producing certain *better films*—films with added characteristics and with wider uses in the packaging field. These are now in process of development and we hope to have them ready for use in the post-war period. "Cellophane" Division, Canadian Industries Limited, P.O. Box 10, Montreal 1, Que.

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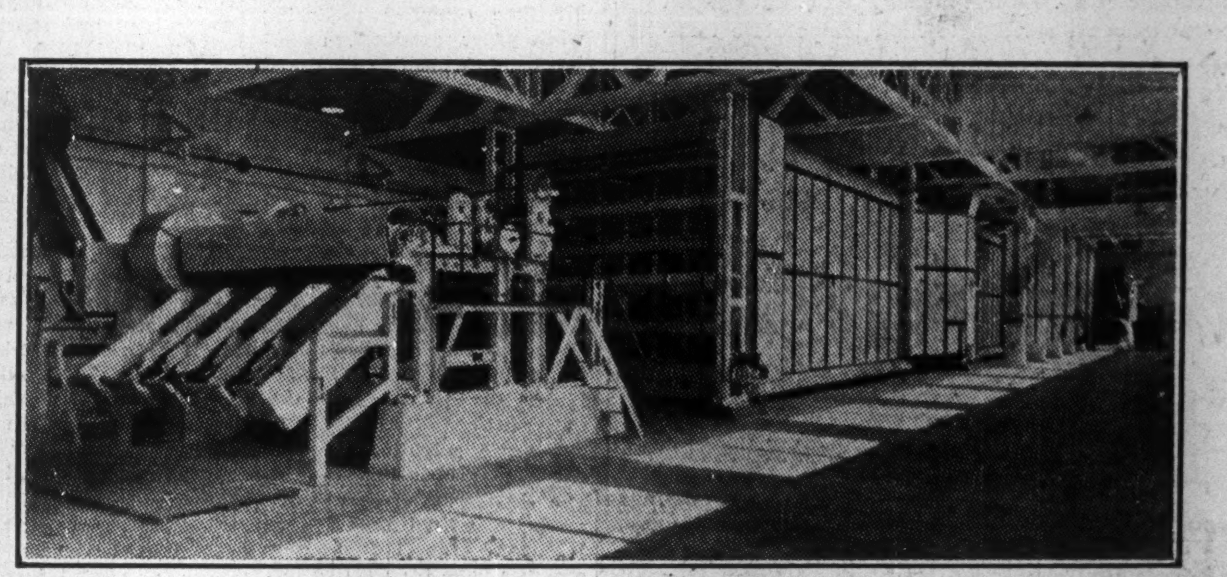

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Australian Paper Firms Use Eucalyptus Forests

Unable to Use Pool of Knowledge of Soft-Woods Methods, Australian Pulp & Paper Industry Must Solve Own Technical Problems

One of the most recent entrants into the pulp and paper field is Australia which produces about 30,000 tons of newsprint, 20,000 tons of printing and writing paper, 140,000 tons of wrapping paper and board, and 10,000 tons of Masonite a year.

These products are made, not from the soft woods common to Canada, but from trees of the eucalyptus type, whose fibres are only about a third as long as soft wood fibres and contain greater amounts of acid which must be coped with in the manufacturing process.

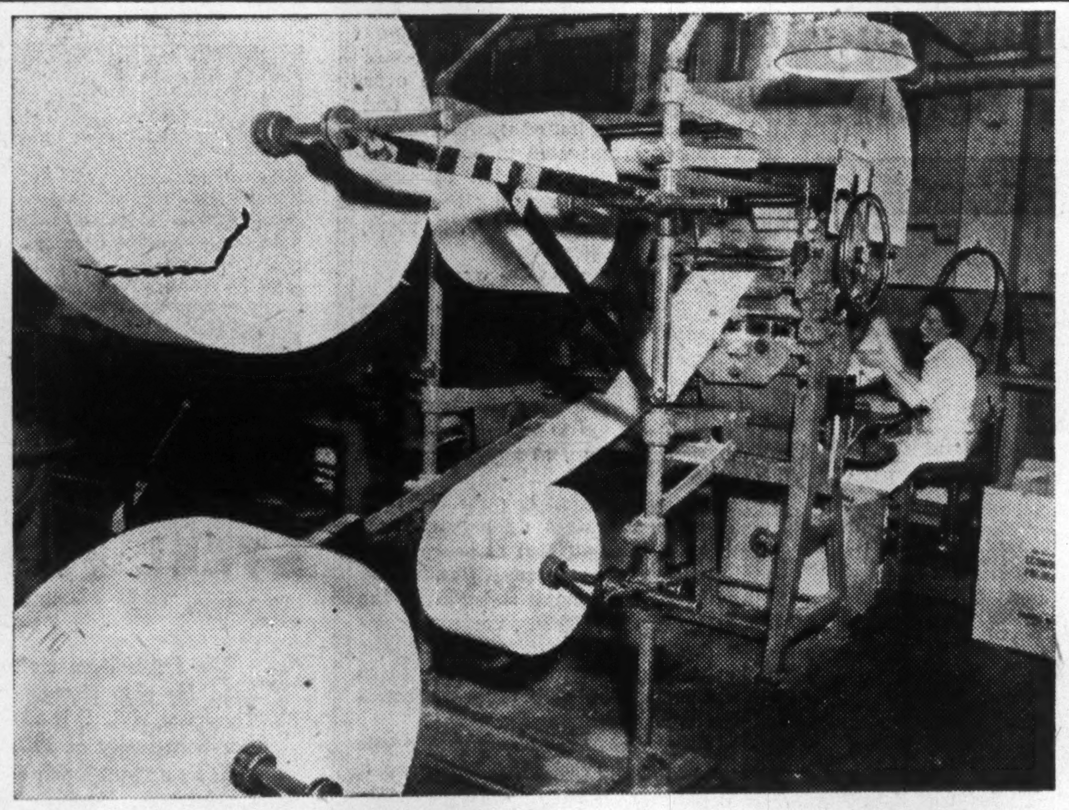
The methods of processing these woods are also unlike those used in Canada. Only one type of eucalypt can be used in the groundwork process. Ten can be used in the alkaline pulp process, many for Masonite, none for the acid process. Still unknown is their adaptability to new processes being developed for North American hard woods. All of these products present special problems, particularly in the making of an acceptable newsprint. The most successful product of the eucalyptus type of pulp wood is Masonite.

The capacity of the industry in Australia is by no means sufficient to cope with all the Australian requirements of pulp and paper products. In peacetime, newsprint alone is used at the rate of 170,000 tons a year. The 30,000 tons of newsprint turned out in Australia are made from about 80% native pulp, 20% imported softwood sulphite. However, plans are reportedly under way to cut down this sulphite importation, by using native semi-bleached kraft.

Quality Papers Native

Quality papers are made from about 90% of the native soda pulp, and in some cases entirely from native pulp.

Since Australia has extensive tracts of thick eucalypt forest, she is very anxious to develop an export trade in her eucalyptus bleached chemical pulp. Authorities have forecast a vast increase in the paper consumption of some of the Oriental areas during and after the reconstruction period, a proximity to markets in the Orient may be of some advantage.



Heavy demand for paper towels during the war, especially from the armed forces, has swamped the specialty papers industry with orders. Here paper towels pass through the final machine before they appear folded and ready for distribution.

Heavy Protection

Australia's domestic market for pulp and paper has been heavily protected for well over ten years, with the sole exception of newsprint. However, there is a provision in Australia's tariff law which prescribes a bounty payable for a limited period only whenever the largest cost of imported newsprint falls below a certain level. This has never happened since domestic manufacture began in 1941.

One of the chief advantages of the Australian pulp and paper industry is the fact that its recent establishment has left it with up-to-date plants. Besides this, its raw material is plentiful, and there is no strong competing demand for it.

Of course, the technical disadvantages of the eucalypt pulp are a great deterrent. It is not beyond the bounds of possibility, of course, that technological developments in the future will greatly alter this situation. However, present means of compensating for special characteristics of eucalypt pulp are in general relatively costly.

Lack Technical Knowledge

A major lack in the Australian industry is technical and industrial knowledge. Their special problems make it difficult to draw on the pool of knowledge developed by the northern soft wood paper industry. Also, a handicap is the low volume of production of the industry, which prevents them from obtaining the low unit cost which has been the chief feature of Canadian pulp and paper development.

There is little doubt that strong measures will be taken to build up the Australian industry after the war. Many recent statements of Australian statesmen indicate that the war experience has influenced Australia towards a certain amount of economic nationalism. Any reversal of this policy, such as is contemplated by Atlantic Charter discussions, and supported by some United States spokesmen, would leave the Australian pulp and paper industry face to face with strong competition from the low cost soft wood paper producers of the world.

However, it is entirely possible that the Australian pulp and paper industry may choose to develop not along the lines of paper-making featured by the northern industry, but taking into account the special characteristics of the eucalypt pulp. It has been suggested by an authority in the field that a well integrated undertaking equipped to manufacture laminated timbers and veneers, building products, special pulps and chemical by-products might be more profitable than too close an imitation of a soft wood pulp and paper project.

Where Our Pulpwood Goes

Year:	Apparent total production of pulpwood in Canada		Canadian pulpwood used in Canada		Canadian pulpwood exported unmanufactured	
	Cords	$	Cords	Total production %	Cords	Total production %
Average 1908-12	1,558,320	9,686,778	648,345	41.6	909,975	58.4
" 1913-17	2,530,359	18,277,132	1,521,698	60.1	1,008,661	39.9
" 1918-22	3,656,232	48,929,364	2,502,012	68.4	1,154,220	31.6
" 1923-27	5,189,017	63,125,308	3,774,719	72.7	1,414,298	27.3
" 1928-32	5,646,313	61,392,332	4,466,077	79.1	1,180,236	20.9
" 1933-37	6,383,118	44,890,011	5,225,018	81.9	1,158,100	18.1
1938	6,438,344	53,761,999	4,686,085	72.8	1,752,259	27.2
1939	6,899,986	58,302,668	5,360,546	77.7	1,539,440	22.3
1940	8,499,922	74,347,132	6,948,493	81.7	1,551,429	18.3
1941	9,544,699	88,193,045	7,688,307	80.6	1,856,392	19.4
1942	9,653,574	103,619,151	7,665,724	79.4	1,987,850	20.6
1943	8,801,368	110,844,790	7,260,776	82.5	1,540,592	17.5

Mosher Long Lac Gold Mines reports financing a prospecting party in 1944, but no discoveries of importance were made. Early this year the company secured a substantial share interest in Lunward Gold Mines. Interests are also held in prospecting parties operating through the 1945 season and shareholdings in other companies. As at Dec. 31, 1944, current assets amounted to $43,896, while interests in mining and prospecting companies totalled $231,357. Accounts payable and accrued charges were $425.

New Cooling Developments Cut Time Loss in Paper Mills

Heat and humidity of the machine rooms in paper mills has long been an enemy of production. Recent developments indicate, however, that labor turnover, time out for sickness and colds has been materially reduced by the use of summer cooling systems. One system handles outside air through a system of ducts in the basement with uptakes to special outlets with direct cold blasts of outside dry air towards the operating floor from approximately eight feet above it. This creates a cold spot with a diameter of approximately twenty feet. This does not take care of the conditions in the entire machine room but it does provide a place where workers can get relief from the general heat.

Besides this advantage in improving the working conditions, management in mills where this has been installed say that men can be now found more readily in case of a breakdown of the machine, thus reducing time lost.

Pre-war Wood-pulp Lineup

(Thousands of Tons of 2,000 Pounds)

Country	Production 1938	Production Average 1934-38	Consumption 1938	Consumption Average 1934-38	Imports 1938	Imports Average 1934-38	Exports 1938	Exports Average 1934-38
United States	5,934	5,513	7,503	7,343	1,710	2,024	140	194
Canada	3,668	4,159	3,131	3,487	17	16	554	690
Sweden	3,374	3,441	1,194	1,042	5	7	2,185	2,407
Germany	2,715	2,497	2,806	2,431	172	173	82	239
Finland	2,444	2,134	1,070	736	....	....	1,373	1,398
Japan	1,070	918	1,231	1,237	161	321	....	....
Russia	1,070	799	1,070	802	....	2	....	....
Norway	992	1,065	443	449	17	20	566	636
Austria	400	389	240	221	4	6	180	177
France	375	363	806	938	436	579	5	3
Czechoslovakia	350	341	230	226	7	7	120	121
Newfoundland	267	316	267	315	....	....	....	1
Italy	229	172	522	467	294	295	....	....
Great Britain	218	163	2,030	1,925	1,812	1,763	4	6
Poland	214	169	227	180	16	15	2	3
Netherlands	115	118	211	227	102	111	7	3
Estonia	100	95	21	20	3	3	82	78
Switzerland	77	84	96	101	25	22	7	5
Rumania	66	59	59	52	....	1	7	8
Lithuania	64	67	10	5	1	1	55	63
Latvia	49	37	34	30	1	1	14	7
Yugoslavia	30	19	40	35	18	20	5	3
Mexico	18	7	46	38	29	32	....	....
Chile	15	5	30	18	15	13	....	....
Hungary	11	7	50	45	40	38	....	....
Turkey	9	4	17	7	8	4	....	....
Denmark	7	7	58	56	52	51	....	....
Argentina	3	1	45	40	42	39	....	....
Bulgaria	6	2	18	12	12	9	....	....
Belgium	....	....	126	144	139	166	13	22
Brazil	....	....	89	89	89	89	....	....
Australia	....	....	71	49	71	49	....	....
Spain	....	....	25	85	20	84	....	....
Greece	....	....	20	20	20	20	....	....
British India	....	....	15	15	15	17	....	....
China	....	....	4	12	4	12	....	....
Cuba	....	....	18	8	18	8	....	....
Peru	....	....	1	....	1	....	....	....
New Zealand	....	....	7	5	7	5	....	....
Total	23,890	22,951	23,881	22,912	5,383	6,023	5,401	6,064

Navy Propeller For Paper Mill

A little known by-product of war is the number of mechanical developments which have been discovered to be adaptable to industry, though originally intended for the most warlike of operations. An outstanding example of this is the projected use of a new type of propeller fan, designed for the U. S. Navy's larger ships, which, it is said fulfills, with slight adjustments, the special drying requirements of the paper industry.

Toronto Stock Exchange reports call loans of member firms as of Aug. 31, totalled $26,564,586 compared with $26,818,942 in July and $19,250,522 in August, 1944. At the same time, ratio of call loans to quoted market value of all stocks listed on the exchange was .41 of 1% compared with .43 of 1% in Aug. and .36 of 1% as of Aug. 31, 1944.

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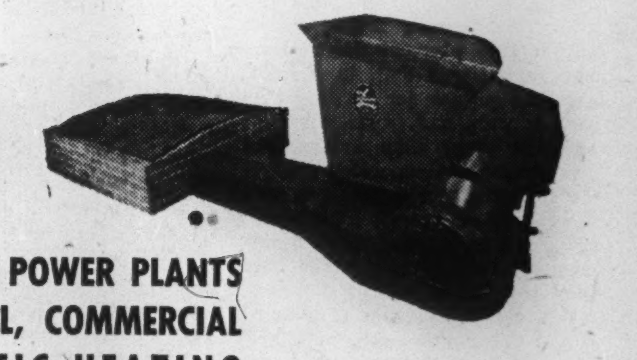

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PAPER

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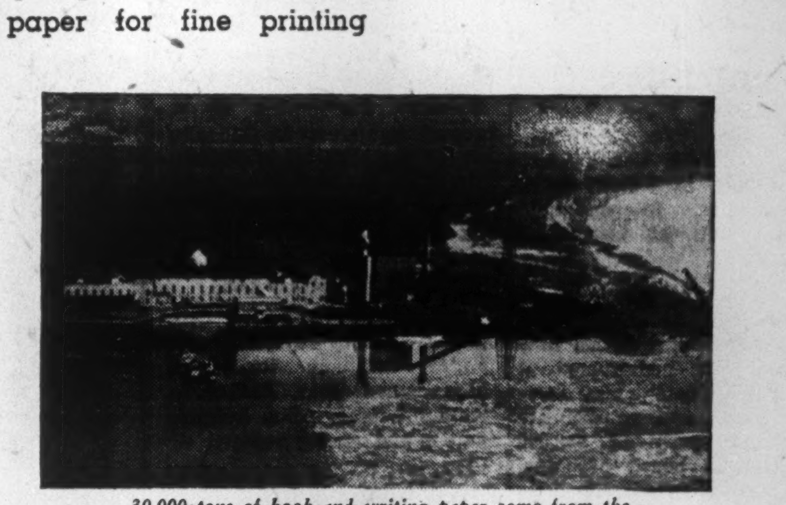

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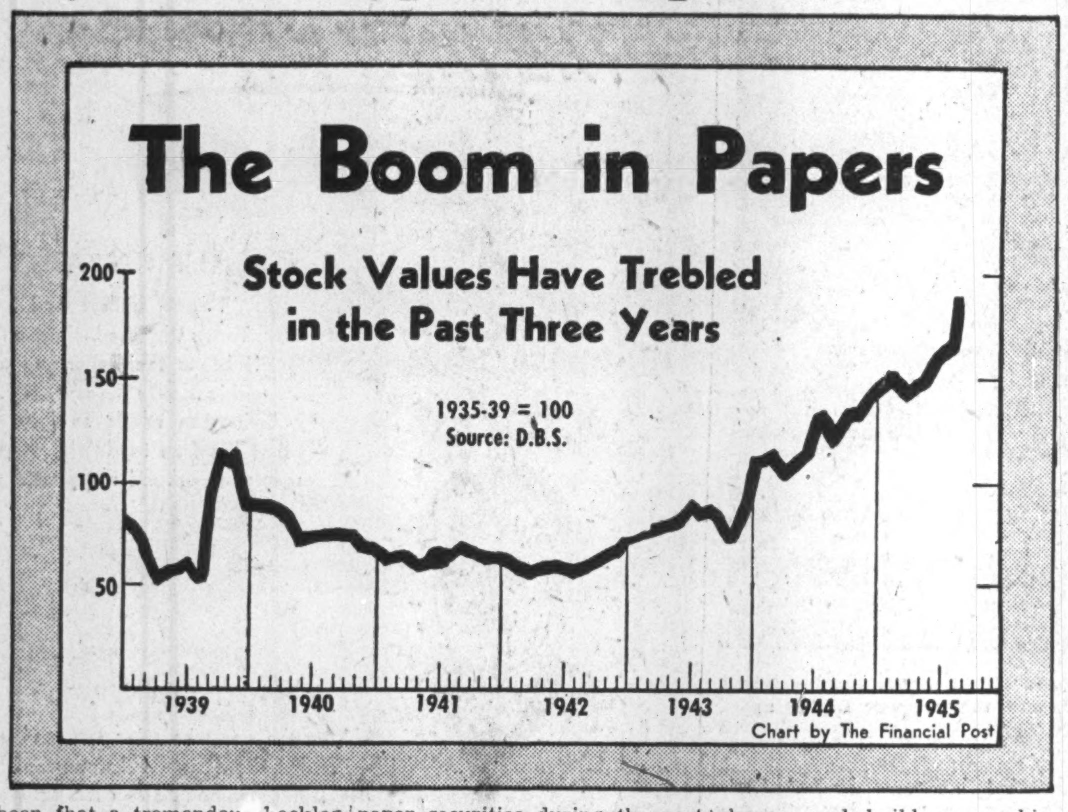
Expanding Markets and Financial Improvement Lend Buoyancy to the Pulp and Paper Securities



Partly due to their "peace-stock" classification (standing to benefit from end of the war), Canadian pulp and paper securities have been in a bull market for the past three years, and in their upward climb have outstripped rise in other stock market prices generally.

The Montreal Stock Exchange average of 10 paper stocks has been fluctuating recently above the 215 level, as compared with the wartime low of 47.92.

Another indication of the extent of the price improvement for paper stocks is the fact that a group of 11 representative stocks, whose average price works out at 28¾ today, had average price a year ago of 21¼, two years ago of 15 7/8, three years 7½.

Individual stocks, and groups within the pulp and paper industry, have shown varied changes. For instance, stocks of companies whose main activity is newsprint output, and which dropped most sharply early in the war, have had proportionately the sharpest gains in recent years, whereas value improvements in case of some special and fine paper producers have not been so abrupt lately.

End of War Favorable

At outbreak of the war, pulp and paper securities showed considerable strength for a time, but in 1940 plunged downward. One reason was that, in a long war, the outlook for an industry such as pulp and paper, making products other than armament, was considered uncertain; that the industry might well get the short end on power, manpower supplies etc., at the same time its profits would be affected adversely by rising costs and taxes.

Conversely, evidence of a turn in the tide in the war, with increasing likelihood that ultimate victory was largely a question of time, such as began to appear late in 1942, increased investment interest in the pulp and paper industry, as one standing to benefit by end of the war.

Actually, during the war pulp and paper industry played an important role, not only turning their machine shops over to armament work but also providing many new materials as substitutes for metals and other materials in short supply. However, the industry was forced to take second place to munitions plants in claims on available manpower, electric power and other supplies, and consistently output has been below demand for the products.

One result of this situation has been that a tremendous backlog of demand, and almost complete wiping out of reserve supplies, have developed. It is estimated that it will be several years at least, even at capacity production, before world shortages of pulp products can be overcome, and adequate reserve supplies again restored. Also, paper will be called upon to play a prominent role, in connection with advertising and other means to stimulate consumption and provide distribution for products of war-expanded factories, now that government buying for war purposes is over.

This has placed the pulp and paper industry in the category of a "growth" industry—one likely to increase revenues and profits, as normal supplies of manpower and other materials are restored. Extent of profit improvement, however, is still uncertain, depending on future government tax policies.

Extent of market price improvement for pulp and paper securities is indicated in following representative list of junior securities:

Stock Value Trend

	Now $	Year Ago $	3 Yrs. Ago $
Abitibi, com.	4¾	3¼	0.55
Do., 6% pfd.	64½	45½	5
Bathurst A	19	15	11½
Consol. Paper	10	7¾	1⅝
Donnacona A	12¾	5½	2¼
Dryden	10¾	8	4
Fraser	43	28	7½
Howard Smith ...	23½	18½	8½
Price Bros.	37	28	7
St. Lawrence A...	26	15¾	9¾
St. Law. Paper pf.	65	58	24½

Despite the rise in the pulp and paper securities during the past three years, present price levels are not high as compared with, for instance, the highs in the 1937 upswing in this group. Yet the position of most companies is much improved in comparison with the late 'thirties.

In general wartime revenues have been used to cut debt charges and build up working capital positions. Almost every company in the industry is in a relatively strong liquid position. This will permit expenditures for necessary plant improvements and extensions, without necessity of borrowing and piling up of heavy debt obligations prior to the junior securities.

Also, relations with the industry's customers—with publishers in the big U. S. market—are probably better today than ever before, largely due to the fact that the period of wartime shortage was not used to boost prices unduly; and special attention was given to meeting the needs and requirements of U. S. users, wherever possible.

New Products Likely

In addition, results of wartime research have indicated that users of wood cellulose may widen and increase in the future—that the pulp and paper industry may well expand to much greater importance than at any time in the past.

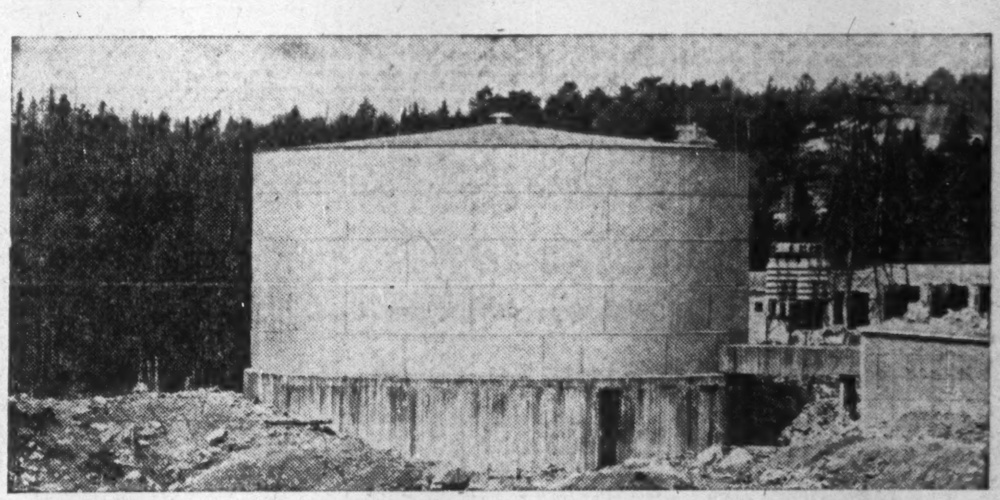
Improvement in pulp and paper bond prices during the past year has not been as sharp as in case of junior securities, partly because growing strength of the industry placed various companies in a position to undertake refunding programs—and there was a risk in bidding up bonds beyond redeemable prices.

A number of companies—for instance, Fraser Co., Restigouche, Mersey, Howard Smith—successfully sold this past year new bond issues on relatively low interest basis, using proceeds to retire the old bonds.

Comparative price changes of some of the more active bond issues follow:

Bond Value Trend

	Now	Year Ago	3 Yrs. Ago
Abitibi 5s	112½	94	57½
B. C. Pulp 6s.....	106	100½	89
Brown 5s	101	89	76½
C. I. P. 6s	111½	113	102½
Consol. 5½s	106½	101	62½
Donnacona 4½s ...	102½	99¾	75
Dryden 6s	106½	106½	101
Gt. Lakes 5s	108½	106	91
I. P. of Nfld. 5s....	110	106	94
L. St. John 5½s ..	102½	101	78
Rolland 4½s	101½	101¾	101



STEEL TANKS AND PLATE WORK

FOR CANADA'S PULP MILLS

The flat-bottom storage tank above is used for pulp storage and is located at Liverpool, N.S. It is 65 ft. in diameter and has a capacity of 300,000 gallons.

The pulp tank is only one of the steel plate products we fabricate and erect for the pulp and paper industry. Other items include elevated tanks ranging in capacity from 5,000 to 2,000,000 gallons for general service and fire protection, acid tanks and accumulators, U-Bar barking drums, digesters, bins, hoppers, pipe smokestacks and steel plate work of all kinds. Write our nearest office for information and tenders.

HORTON STEEL WORKS LIMITED

TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.

Representatives:

Mumford Medland, Ltd., Winnipeg — Gordon N. Russell, Vancouver

Lunward Gold Mines advises that surface exploration was resumed on the Echo twp., Sioux Lookout, Ont., property in July. A new discovery has been made about 1,000 ft. west of the original discovery, but insufficient work has been completed to date to determine its possibilities. Current assets as at Dec. 31, 1944, amounted to $8,558, while shares in mining companies totalled $9,058. Current liabilities were $145. Since that date the sale of treasury stock has placed some $82,000 in company treasury.

Building Materials

(Continued from page 12A)

cylinder board machine, with a capacity of 35 tons daily, was added to the plant.

The products of the board mill include: rough cast and laminated insulating board, roof insulation and plaster lath, rough cast, smooth and colored boards, burl board for interior finishes, decorative specialties, Donnacousti sound absorbing board, asphalt impregnated board, insulated brick siding, refrigerator and special industrial board, termite-proof board, and hard pressed board and tile. Altogether, some 14 different basic types of products are produced.

Donnacona's entry into the building board field was primarily to provide an outlet for such materials as could not be used in its regular manufacturing operations, and to lower overhead costs. Since then there has been a steady expansion in board production.

Donnacona consolidates results of its board division with figures of other divisions, thus no details on earnings result of the department are available.

Internat. Fibre

International Fibre Board, Ltd., produces "Ten-Test" insulating building board and other products at a plant near the Canadian International newsprint mill at Gatineau, Que.

The present company was organized in 1928 to take over a plant at Midland, Ont. A new plant later was constructed at Gatineau with over eight acres of floor space, and an ultimate productive capacity of 600,000 square feet of board per day. Present productive capacity is 25 tons daily of building board made from wood fibre.

In its manufacturing operations, the plant uses wood screenings, a by-product of the Canadian International mill operations, and from the manufacture of "Ten-Test" itself there is a by-product known as wood flour, which has a value in the production of explosives, composition floors and as an insulator.

International Fibre Board, Ltd., is controlled by International Paper Co., which owns $1,318,800 first preferred outstanding, $1,500,000 second preferred shares and all of the common stock.

Details of operating and earnings results are not available as they are consolidated with those of the parent company. Productive activity has been at a high level in recent years, however.

Masonite Co.

Masonite Co. of Canada, Ltd., at a plant at Gatineau, Que., manufactures all grades and types of hardboard products for sale in Canada and export markets other than the United States.

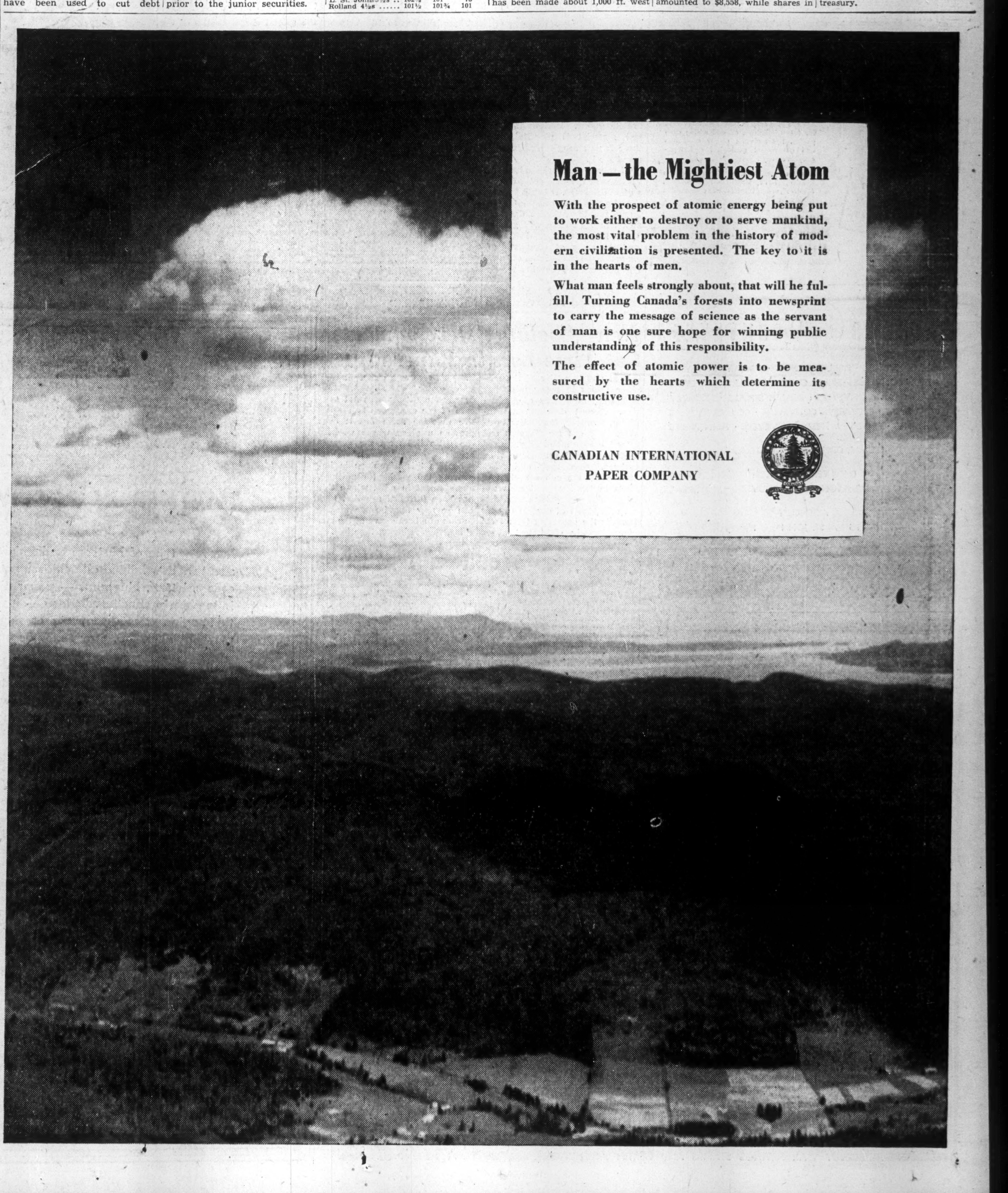
Masonite Co. of Canada was formed in July, 1939, as a joint undertaking of Canadian International Paper Co. and Masonite Corp.

A mill, with a capacity of approximately 35 million feet a year, was constructed at Gatineau, Que., at a cost of approximately $700,000, and started operations on Feb. 15, 1940. In July, 1940, plans were approved for a $75,000 addition to the mill.

Primary distribution of the company's products in Canada is through the agencies of Masonite Corp., International Fibre Board, Ltd., and Donnacona Paper Co., Ltd.

Sidney Roofing

In its Victoria and Vancouver plants, Sidney Roofing and Paper Company turns out groundwood pulp, boxboards, testing boards, felts, building papers and roofing papers.

An entirely new pulp mill was built in 1939 and expanded in the following year at a cost of around $125,000.

Expenditure of approximately $250,000 on further extensions to the plant on the industrial reserve at Victoria, B.C., was recently announced. At the same time a further $200,000 will be spent in the expansion of the plant of the National Paper Box Company at Vancouver, which is a subsidiary of the firm.